

son charged, who shall be provided with check samples."

This is entirely a matter of fair play to any accused person.

The MINISTER FOR EDUCATION: I am advised that the amendment would be calculated to destroy the value of the clause. If an interested person was allowed to be present at the breaking down of the ore, it would be impossible to guard against the salting of the samples.

Hon. Sir Edward Wittenoom: I am advised in the same way. The amendment would defeat the end aimed at.

Hon. H. STEWART: I have been similarly advised.

Hon. E. H. HARRIS: You have all been instructed from the same source.

Hon. H. STEWART: But if the man sent to take the samples knew his business, there could be no salting. If the accused was allowed to be present, the man in charge of the breaking of samples would not allow him within range. It would not be the value of the ore, but the nature of the ore which would count. It is nonsense to put up the plea of salting in opposition to the amendment.

Hon. E. H. HARRIS: The accused would not have an opportunity to salt the mine if the man responsible for breaking the samples knew his business. The accused should have the right to be present to see whence the samples were taken so that, when preparing his defence, he would have an opportunity to combat the evidence.

Amendment put and negatived.

Clause put and passed.

Clause 53 to 55—agreed to.

Schedules, Title—agreed to.

Bill reported without amendment.

Recommittal.

Bill recommitted for the purpose of further considering Clause 4.

Hon. J. Ewing in the Chair; the Minister for Education in charge of the Bill.

Clause 4—Parts of the State may be exempted from provisions of Act:

The MINISTER FOR EDUCATION: The clause provides that the Governor may from time to time by proclamation declare any part of the State to be, or cease to be, exempt from the operation of the Act. The necessity for that provision is obvious, but it is equally clear that in many cases circumstances may arise where it may be desirable to exempt a portion of the State from some of the provisions, while allowing other provisions of the Act to apply. The clause as it stands will not permit of that being done. I propose therefore to move an amendment—

That all the words after "may" in the first line be struck out, and the following inserted in lieu:—"by order in Council

exempt any defined portion of the State from the operations of all or any of the provisions of this Act, but any such order may in like manner be varied or revoked."

Amendment put and passed; the clause, as amended, agreed to.

Bill again reported with an amendment.

House adjourned at 10.5 p.m.

Legislative Assembly,

Tuesday, 22nd November, 1921.

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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

QUESTION—SCHOOL TEACHERS' APPEAL BOARD.

Hon. P. COLLIER asked the Premier: 1, Is there any special reason why he has declined to inform the House of the amount of fees being paid to Mr. Downing, K.C., for his services before the School Teachers' Appeal Board? 2, If not, will he reconsider his answer of the 9th inst., and make the information available to the taxpayers, who have to find the money to meet these charges?

The PREMIER replied: 1, The answer given embodied all the information then available. 2, Mr. Downing's account has not yet been received, but will be computed from the following schedule:—Case fee, £13 2s. 6d.; daily refresher fee, £10 10s.; conference fee, £1 1s.; or if exceeding one hour, £2 2s.

Mr. O'Loughlen: It is about time it was stopped.

QUESTION—RAILWAY SHUNTERS' BOOTS.

Mr. MANN asked the Minister for Railways: 1, Is he aware that Joseph Jackson, a shunter employed at Merredin station, met with serious injuries on the 11th inst., result-

ing in his death? 2, That the injuries were caused by his boot being caught in the frog of the points, holding him prisoner, and that he was knocked down and several trucks passed over him? 3, In consequence of this and previous accidents of a like nature, will he advise the Commissioner of Railways to issue to shunters in the Perth yard, and other busy centres, safety boots with elastic sides, preventing a recurrence of a similar tragedy, and that a regulation should be published compelling these boots to be worn by shunters on duty?

The PREMIER (for the Minister for Railways) replied: 1, Yes. 2, The evidence available is not conclusive that the injuries were so caused. 3, The department has always encouraged the use of such boots, and at one time made arrangements for supplies at a cheap rate, but the arrangement fell into disuse as the demand from the men was insufficient.

QUESTION—UNIVERSITY, FEES.

Mr. JOHNSTON asked the Premier: 1, Will he draw the attention of the Senate of the University to the following resolution, which was carried by this House on the 13th November, 1912:—"That in the opinion of this House it is desirable that all education at the University of Western Australia should be free, and that the practice of charging fees at State educational establishments should be entirely abolished"? 2, Has the Senate power to impose fees in disregard of the resolution of this House whilst such resolution remains unrescinded?

The PREMIER replied: 1, Yes. 2, Yes. See Sections 31 and 33 of George V., No. 37.

QUESTION—REPATRIATION, PAS- TORAL RENTS.

Col. DENTON asked the Premier: 1, Is he aware that where returned soldiers have purchased partly improved stations through the Soldier Settlement Scheme, the Lands Department are making the soldiers pay full rentals as fixed by the Appraisement Board on the whole areas of their leases, whether improved or not? 2, In view of the unsatisfactory condition of the stock markets, and the high cost of all station supplies, and in order to assist soldiers to improve the balances of their holdings and get on their feet, will the Government grant the soldiers exemption or reduction in regard to their rentals for a period of, say, five years?

The PREMIER replied: 1, Each case is dealt with on its merits. When the station is a going concern, full rental is required, but where the conditions warrant, full exemption for one year from payment of rent has, in cases, been granted on unimproved or partly improved land up to 100,000 acres. 2, The department will continue to deal similarly with each case on its merits year by year.

BILL—PERMANENT RESERVE (POINT WALTER).

Council's amendment.

Amendment made by the Council now considered.

In Committee.

Mr. Stubbs in the Chair; the Premier in charge of the Bill.

Clause 2—Add the following proviso:—

Provided that this power to lease shall not extend to any portion of the reserve within one hundred yards of the foreshore.

The PREMIER: It is desirable that these buildings should not be within a certain distance of the foreshore. The provision for 100 yards, however, sets out an unnecessary distance. I move an amendment:—

That the Council's amendment be modified by striking out "one hundred" and inserting "fifty" in lieu.

Hon. W. C. ANGWIN: In discussing this matter with the Chairman of the Melville Road Board, he informed me that buildings already erected at Point Walter are within 100 yards of the foreshore. One of these buildings was put up by the Government some years ago and that building is within 100 yards of high water mark. If the Council's amendment were agreed to, it would mean that the buildings already erected would have to be removed. I consider 50 yards would be quite sufficient. The Committee can rest assured that no local authority will do anything that will adversely affect the interests of the public. Between 7,000 and 10,000 people go to Point Walter each Christmas season and the Board will not do anything that will not safeguard the reserve. The road board has not a very large revenue and the only grant from the Government is one of £100.

The Premier: You should not mention that now.

Hon. W. C. ANGWIN: That grant was promised when the reserve was made over to the Board. At the present time two men and one woman are employed looking after the reserve, where a great change has taken place since the board secured control. From the Board's revenue, some £700 or £800 has been spent in keeping the reserve in order.

Amendment put and passed; Council's amendment, as modified, agreed to.

Resolution reported; report adopted and a message accordingly returned to the Council.

BILL—LAND AND INCOME TAX ASSESSMENT AMENDMENT.

Second Reading.

Debate resumed from the 17th November.

Mr. UNDERWOOD (Pilbara) [4.45]: In dealing with this Bill, it would be wise to recognise that the Government have not gone

fully into the question of income tax or taxation generally, and it would be reasonable to wait until we have received the report of the Royal Commission appointed to inquire into Federal taxation. After all, State taxation is to a great extent dependent on Federal taxation. If this Parliament had power to deal with all income tax, then we would expect the Government to bring down what members have termed a comprehensive measure. The State Parliament, in the circumstances, can only deal with what might be termed subsidiary income tax.

Hon. W. C. Angwin: Why?

Mr. UNDERWOOD: Because the Federal Parliament has taken practically all the money. We have to try to collect what is left.

Hon. W. C. Angwin: That is, we must make ourselves a subsidiary department?

Mr. UNDERWOOD: I do not say we should make ourselves such; I say we are such.

Hon. W. C. Angwin: We have equal power with the Federal authorities in the matter of taxation.

Mr. UNDERWOOD: When dealing with a taxation measure in a State Parliament, it is always necessary to take into consideration the taxes imposed by the Federal Parliament. I might be permitted to express the opinion that the Federal Parliament should not have imposed income tax, for the reason that the application of the tax varies in the different States, and Australia is composed of six States of varying conditions. This Bill has to be dealt with from the point of view that the Federal Parliament has imposed a tax.

Hon. W. C. Angwin: We must take into consideration our own requirements.

Mr. UNDERWOOD: Quite so. With regard to taxation generally, we Australians have not been accustomed to it. Until a few years ago the people of Australia never really paid taxation at all. This being so, we have not yet developed a method for the imposition of taxation which would be applicable and the least disadvantageous to Australia. We have followed the British or European income tax laws, notwithstanding that our country is entirely different in many respects from Britain or other countries of Europe. But we have reached a position of having a considerable war debt and many maimed and crippled soldiers. The war debt has to be paid, and our maimed soldiers and their dependants have to be maintained. To do this we must impose taxation. I do not say that we are unable to pay the necessary taxation, but I do say that, in imposing taxation, we should study our conditions and evolve something which will be applicable to Australian conditions. We cannot follow the British or European system, because our country differs so greatly from those countries. In considering the British income tax, we have to remember that there are many people in Britain who have incomes which have been handed down from generations back. We

have read of people owning castles which require a couple of hundred servants to keep them in order. When we come to Australia, and more particularly Western Australia, we find that the wealthiest people, or those who pay the most taxation, are those engaged in developing the country. Whereas this taxation in Britain may and, I think, does fall on people who to an extent are retarding industry, in Australia it is likely to, and does fall on people who are developing the country.

The Premier: That is the whole trouble.

Mr. UNDERWOOD: It is not altogether a trouble, but it is a phase of the question which we as Australians should take into account. To date we have simply followed the British or European system. If we are short of money, we increase the income tax. If we are still short of money, we impose a surtax. If we are still short, a further increase is imposed. The position is that the continual increase of taxation is likely to retard our development, and development, after all, must be the essential policy of Australia for a long time to come. The Minister for Railways can tell us that he has found that, by highly increasing our railway rates, our railway traffic has been retarded. There is a limit to which we can go on piling up taxation and railway rates in a country like this. Anything which retards development must be very seriously considered by those who would attempt to govern the country. I wish to point out one or two directions in which heavy income tax, and particularly a graded income tax, operates against the development of the country and the production of the country. As I have already indicated, production is what we require. A small number of men own a mine. They employ perhaps 10 men, and the mine returns them a dividend of a few hundred pounds a year. If the number of men employed were doubled, they could double the output of gold and double their profits, but if they doubled their profits, they would come under a higher grade of income tax. Being reasonably intelligent people, they do not double their output. The gold is there, and it belongs to them; they have a long time to live, and they keep the mine working at such a rate that it does not produce all it is capable of producing. The production is extended over many years, and they do not come under the higher grade of taxation. This is one direction in which a highly graded income tax prevents development and production. There are many other producers, including pastoralists, wheat growers, and fruit growers, who do not care to develop their land to its utmost because, if they make high profits, they come under a higher grade of income taxation, and the extra energy exerted does not really bring reward to them; the reward goes to the State. As regards the mines, there is no doubt that the owners in the case I have instanced are making a sacrifice; as regards the other producers I have mentioned, the sacrifice is not so apparent. It is quite

correct that the high taxation in Australia undoubtedly has the effect of retarding production. This taxation is quite new to us; income taxation has been imposed here for only about 10 years. In Australia we have developed about 5,000 income tax collectors. Not only are we paying these people a salary—and some of them are fairly intelligent people—but we have removed from our industries 5,000 producers. If we abolished the income tax, we would have 5,000 people who could go out and possibly grow a bit of wheat.

Mr. Teesdale: Would they do so?

Mr. UNDERWOOD: I do not know. They might become window cleaners or lift attendants, and then the lift attendants would go out, or else become bill stickers. In a country absolutely crying out for development, we have something like 5,000 able-bodied men simply gathering the earnings of other men. Viewed from this aspect, the House will agree with the Leader of the Opposition that we should have a thorough consideration of our taxation proposals. It will be almost impossible for members to attempt to amend the Bill to make it agree with their ideas, because to do so the knowledge of those who are not in the House would be required. You desire and require the scientific knowledge possessed by those who have been connected with the gathering of taxes and who know all about the effect of taxation. A private member could not pretend to put amendments in the Bill which would effect the reforms in taxation that members desire. The Bill itself does not contain much, but that much which it does contain is valuable. There is one clause which proposes that the taxpayer shall be followed to Karrakatta. I would like to make the suggestion to the Premier, that if he intends to follow these people to the cemetery, he will require a further amendment to provide that notice shall be delivered on the person, and I do not think that such a notice would be accepted at Karrakatta.

Hon. T. Walker: You could post it on the tombstone.

Mr. UNDERWOOD: We certainly would require an amendment to that effect, an amendment to say that a notice duly posted on the tombstone would be accepted as delivery. When a taxpayer dies, if he has anything left, probate is paid on it, and having collected probate the State could well let him off anything further. I feel sure that the House will not carry this particular clause. There are one or two other clauses in the Bill that require attention. One is in regard to the improvements made on one block of country carrying the improvements of another block not more than 10 miles away. The Premier, when introducing the Bill, did not give us any very definite information in regard to that clause. If it can be shown that the section in the Act is in any way holding up land out of improvement, or that it is retarding settlement, I will agree to it, notwithstanding the fact

that I know that in many cases it will cause some difficulty to genuine settlers. Quite a large number of our settlers have two or three different parcels of land; that is to say, parcels of land according to the terms of the Act.

The Premier: They may adjoin.

Mr. UNDERWOOD: They may not quite adjoin, and those people will use their discretion—if they have no discretion they will soon fail on the land—and they will first clear and improve the blocks that they want to work, and having improved those to the full extent, they are entitled to hold the others until such time as they are able to improve them as well. In regard to pastoralists, I do not know that they will be affected to any great extent, but it is a fact that people in Western Australia pay rent on tens of millions of acres which are absolutely of no use at all. They pay rent on that class of country to get possibly a few gullies or a few flats, and it often occurs that a pastoralist will pay on a block of land because after rain there remains some surface water and there comes a little grass and he can turn his stock on to it. You can get no water by sinking. If the pastoralist did not pay rent on that class of land no one else would do so. Such land is not worth improving. If you compel him to improve that land you will simply lose the rent on it and not only that, the State will lose the use of it. I have quite an open mind on the matter, but I would like the Premier to show that there is a solid reason for altering the section in the Act. I come next to another question which also is of considerable importance, and that is mining. There is a clause in the Bill—it is the only one—to relieve prospectors. The introduction of that clause is fully warranted. Those who are acquainted with mining are aware that there are many dumps of sand throughout this State which will pay some man to cyanide, and that after he has finished his work, the plant and everything he has put up is gone. A case I have in mind is that of a man who secured a heap of sand, and he worked most of the first year in making the necessary arrangements. In the second year he treated his sands and made a fairly solid profit. The tax collector put that profit into one year and refused to allow the man any deduction for the work done in the first year. More than that, the cyanider put in as a deduction from his income, practically the whole cost of the plant. The Commissioner of Taxation laughed at him and said, "We cannot allow you to deduct the cost of your plant; we will allow you 10 per cent. depreciation." Any member acquainted with cyaniding those dumps knows that a cyanide plant, after it has finished its work on a dump, is useless. This man in question claimed the value of the plant as a deduction and he was told that if he was foolish enough to buy a plant that was no good, it was his lookout, and had nothing to do with the Taxation Department.

The Minister for Works: They have no bowels and they have no sense.

Mr. UNDERWOOD: I do not know whether they are short of anything else. That was a case where inquiries could have been made from the Mines Department to learn how much, within a pound or two, that plant was worth after it had finished its work. The chances are that it would have been worth nothing at all. Yet this man is told by the Taxation Department that they would allow him 10 per cent. for depreciation. He made scarcely a living by treating those sands, and if we are to carry on taxation in that manner, and if we are to administer the department in such a way, we will prevent many heaps of auriferous sand, now lying about various parts of the State, from being treated. In regard to the prospector, quite a reasonable number, after many years of work, discover something saleable. If they sell their property the Taxation Department immediately looks for them. Many of them, however, leave Australia and take their money with them. As a prospector myself, I can say, and other prospectors will say with me, good luck to them. The taxation has been absolutely unfair so far as prospectors are concerned, and the net result to Western Australia of those men getting away is that we have lost good citizens, and they have taken away with them money which they would have spent within the State. In regard to administration, the tax collector seems to have adopted a policy quite different from anyone else I have heard of in civilisation. For instance, a man at law is considered honest until he is proved dishonest. On the other hand there are some people who take the view that a man is dishonest until he has been proved honest. But the taxgatherer considers everybody dishonest always. When you go to the taxation officer and you have a dispute with him, he says, "If you do not like my decision you can go to the court." The position reminds me of being up with Brearley and starting an argument with him, whereupon he says, "If you do not like the aeroplane, get out!" One has an equally good chance with the Commissioner of Taxation. Here is the important point: A man has to pay, say, £50 or £60 taxation, and he is fairly sure that the tax is not just.

The Premier: The taxpayer always says that.

Mr. UNDERWOOD: With the assurance and backing of, possibly, many Ministers, the Taxation Commissioner says, "Go to the court, then." Thereupon the man goes to the court, and if he wins he loses at least the £50 or £60; it will cost him some such amount if he wins. On the other hand, if he loses, it will cost him £500 or £600. He is laying ten to one on a judge's decision. Having had some experience of judges as well as of racehorses, I consider that judges are more erratic than racehorses, and that the man who lays ten to one on the decision of a judge will, if he does it regularly, lose all

he has. Of course, one does not lay those odds on a judge's decision. Large numbers of our citizens have been imposed upon by the tax collector simply because they cannot afford to fight a case. Many taxpayers have, perhaps, a little property, and if they fight and lose they will lose all that they have gathered in the world. The Commissioner of Taxation comes along and quite independently tells the person assessed, "If you are not satisfied go to the court."

Mr. Johnston: You are in favour of an appeal board.

Mr. UNDERWOOD: I am in favour of an alteration in the administration of the law, and I am very strongly in favour of the Commissioner of Taxation giving a little more consideration to the taxpayer. The thing is such a dead loss. Suppose a taxpayer takes a case to court and wins it does the Commissioner of Taxation suffer anything? No. But if the taxpayer loses the case, he pays all costs. If the taxpayer wins his case, the Commissioner of Taxation ought to get the sack; and then we would have some reason in the tax collector. But that is our difficulty as citizens, and, let me add, citizens who honestly and fairly desire to pay their share towards the cost of those things that have to be paid for. When a tax collector forces a man right into the Federal High Court, as Newman was forced, and the tax collector loses the case, then that tax collector should at least be put out of the service.

The Minister for Works: Hear, hear! Every time!

Mr. UNDERWOOD: The tax collector should be told to go and get a bit of useful work. The Premier says there is plenty of work to be done in the farming districts. I hope that, seeing the great pull the tax collector has over the taxpayer, a different spirit will henceforth prevail in the Taxation Department. I also consider that Ministers ought to see that such an altered state of things is brought about. I have before said that I take no notice whatever of those university professors who talk about political interference. I claim that when we appoint Ministers we expect those Ministers to look after the interests of every individual in the community. If an officer, be he tax collector or anything else, does not give the people a fair deal, then it becomes the duty of Ministers to interfere, and if possible put that officer out of his position and let him find some useful work. Now I come to another aspect of taxation—the natural increase of stock on pastoral or farming holdings, and the method which has been adopted of taxing that form of income. The tax-gatherer, not the Act, has decided that if one has on one's farm or station an increase of cattle or sheep or horses, that increase is income.

Hon T. Walker: Or even an increase of pigs.

Mr. UNDERWOOD: Yes. An increase of young Australians, however, is not regarded as income. The tax-gatherer has not yet de-

cided that the growth of a fruit-tree is income.

The Minister for Works: For Heaven's sake, do not suggest it to him!

Hon. P. Collier: He will have that all right, too!

The Minister for Works: Yes. I know him.

Mr. SPEAKER: Order!

Mr. UNDERWOOD: One's increase of stock is to a great extent similar to the growth of one's fruit trees. I claim that one's increase of stock is income when one sells that increase of stock. If that were the view taken by the Taxation Department, I would agree with that clause of the Bill referring to stations or farms which have stock. When one sells the stock, one should pay income tax on it; but not before. If one pays income tax on the increase of stock, one is paying on the natural increase year after year; and then, at the finish, if one sells out one's station, one is charged up again. That seems to me—

Hon. T. Walker: Double-banking.

Mr. UNDERWOOD: Oh, treble-banking! Let me put this position with regard to stations, and to a lesser extent with regard to farms. I know a station which in one year shored 105,000 sheep. The next year it shored 25,000. There had been a loss of 85,000 sheep out of 105,000. And the station had been compelled to pay income tax on the natural increase! That same station built up again, and then, a year or two ago, went back again, went back by tens or scores of thousands. Is it a fair proposition to charge income tax upon natural increase in such a case? That taxation may be all right in Great Britain or in European countries where the seasons are regular and everything works smoothly. There such a tax may be a correct tax. But in Australia, where periodical droughts are a normal condition, the tax works unfairly. If one could be guaranteed the building up of a cattle station or a sheep station, bringing it to the producing stage after five or six years, and then having surplus stock to sell each year, income tax might possibly be charged during the year previous to that in which the matured stock is sold. I do not say that would be right, any more than it would be right to charge income tax on the growth of fruit trees; but, still, it might be done. On the other hand, in a country like Australia, where we know that a drought may occur at any time, with the possible loss of all the stock, or the greatest part of the stock, on a station, it is necessary to devise some other system of taxation. The proposition put up by the State Commissioner of Taxation appeals to me as having a good deal of reason in it. He says that not only as regards stock, but also as regards the various forms of agricultural industry, an average should be taken over a number of years; that is to say, the taxpayer should be allowed to deduct his losses in previous years from his profits in the taxable year. I know of cases where men have lost consistently for two or three years, and then have had a good

season, in which they made considerable incomes. Now, those men have been taxed at the highest rate of income tax, whereas really, if their incomes had been averaged over three or four years, they would have shown practically no income whatever. Those are the things which we need to go into, and we need to go into them fairly early, in order to arrive at a scientific method of taxation applicable to Australian conditions. To follow English tax law, or European tax law, in Australia is bad policy, in my opinion. I am not adversely criticising the Government on this matter, because, as I have said, the heaviest taxation is Federal. Until the Federal Parliament alters the Federal system of taxation, we in this State Parliament cannot do anything very material. However, I trust with other members that in the near future there will be some inquiry into the whole incidence of taxation, both land and income, in Australia. I am sure that if we put our minds to it, we can arrive at a system of taxation which will produce the required amount of revenue while relieving our taxpayers of many of the difficulties under which they labour at the present time.

Mr. J. THOMSON (Claremont) [5.30]: I support the Bill as it stands. It should have been passed during the first week of the session. Members of the Country Party require markets for their produce, and unless we get on with the mining industry there will be very few available markets for them. We have to-day hundreds of prospectors, just as good as those of the early days of Coolgardie, and we have men prepared to send out prospectors. I myself have spent a couple of thousand pounds or more in supporting prospectors, while others have spent far more than have I in that direction. If the Bill had become law during the first week of the session there would have been 200 prospectors out to-day.

Mr. Marshall: You are romancing a little bit.

Mr. J. THOMSON: Certainly there are very few out to-day, but if the Bill is passed plenty of them will go out looking for another Kalgoorlie or another Broken Hill.

Mr. Marshall: The member for Subiaco, on the Address-in-reply told us that we have already won all the gold the State can produce.

Mr. Richardson: You state facts. I said nothing of the sort.

Mr. J. THOMSON: However, I wish to see the Bill go through as quickly as possible.

Mr. JOHNSTON (Williams - Narrogin) [5.32]: On the second reading the Premier told us the amendments in the Bill would have the effect neither of increasing nor of decreasing taxation. After a study of the measure, I am unable to agree with that, because nearly all the amendments will have the effect of tightening and practically increasing taxation. People who live and work and die in this country are to have extra taxation imposed upon them. The only

people to be relieved under the Bill are the absentees. There is in the Bill a provision under which the Commissioner is to have power to give absentees exemption for a period not exceeding two years.

Member: Why should not they have it?

Mr. JOHNSTON: If that were the only danger in regard to absentees I might not have spoken on the measure; but ever since the introduction of the Bill I have been bombarded with circulars from a number of influential bodies who desire that the present sur-tax on absentees should be entirely abolished.

The Premier: They have to pay it now.

Mr. JOHNSTON: They ought to pay it, but if the Bill goes through I am afraid a lot of them will be able to be away for two years without paying it.

Mr. Latham: Why not encourage them to stay here and spend their money?

Mr. JOHNSTON: I wish to encourage them to stay here, and not go away.

Mr. Mann: What about the foreign investor?

Mr. JOHNSTON: I do not want foreign investors to be pampered at the expense of those living here. An insidious propaganda is being carried on by influential bodies outside the Chamber with the object of having remitted the present tax of 50 per cent. on absentees.

Mr. Teesdale: Why should they select you for bombardment?

Mr. JOHNSTON: I take it every member of the House has received these circulars. I have received them from a number of bodies.

Hon. W. C. Angwin: They have not sent me one.

Mr. JOHNSTON: There is no fairer tax than the one we have at present, imposing extra taxation of 50 per cent. on absentees from Australia. Those who remain here have to pay heavy taxation all the time, particularly through the tariff. Also Western Australia draws from the Federal Government 25s. per capita allowance on those who remain here. The whole community benefits from the circulation of the money spent by people who live in the State. Yet we are told that this is the only State of the Commonwealth to impose this extra taxation on absentees. If so, it is something to be proud of. It is not the only respect in which Western Australian legislation is ahead of that of the other States. The first State of Australia to grant an allowance for the support of children was Western Australia. That principle has been copied in the income tax legislation of all the States, and also in the Federal legislation. Again, we are the first State in Australia to have a lady member of Parliament. I hope the Government will not listen to the loudly expressed desire that the extra imposition on absentees should be waived. During the last few days I have been told of one of these absentees, an In-

dian, or an Afghan, who lives in Kurachi, and owns three coffee palaces in Perth. Every month a cheque for a large amount, representing metropolitan rent, is sent to that gentleman in Kurachi. Yet these influential outside organisations are appealing to members to waive the extra taxation on absentees. I take it that quite a large number of the absentees are foreigners. It is only natural that foreigners who come here and make money should go back to their native countries. I hope the Government will maintain the present imposition of that extra taxation which applies to those foreigners.

Mr. Lambert: What about foreign importers, who flaunt brass plates?

Mr. JOHNSTON: There is a pretty heavy Federal duty on imports. At a time like this, when we are tightening up taxation on all who live here, when every small thrifty farmer is to have his exemption of 4 per cent. for the value of his property taken away from him, I hope that concurrently the Government will refuse to listen to the desire for relief and favours for the absentee. Many of the largest incomes in Western Australia are drawn by absentees. The owners of Strelitz House—

The Premier: Strelitz House is no longer owned by absentees.

Mr. JOHNSTON: Well it has been owned by absentees for many years. I urge the Government not to give any special consideration to those absentees at a time when we are putting further impositions on people who live and work and die here. Also I object to the provision under which the tax collector, like a modern Scrooge, is to go to a widow and collect from her an amount because her husband has died. I hope the Government will be satisfied with the existing heavy probate duties, without pressing for this indecent provision under which the tax gatherer will wait on a widow within a few weeks after her husband's death and demand a sum of money.

Hon. W. C. Angwin: It is only a just due.

Hon. P. Collier: Logically it can be defended.

Mr. JOHNSTON: I put it to the credit of the hon. member that, during the seven years he was a Minister of the Crown, he did not introduce this particular provision.

Hon. W. C. Angwin: Such a demand was made on me, and I went and paid it, thinking it only just.

Mr. JOHNSTON: I do not want the existing law altered in that regard. I hope the Government will not listen to this loudly expressed desire to give special relief to the absentee owners of property in Western Australia, who live and spend outside the Commonwealth the money they draw from this State. I am pleased to hear the advocacy of averaging the income produced. This has always seemed to me to be a very fair principle.

The Premier: You had better be careful about that.

Mr. JOHNSTON: At any rate the Premier understands the manner in which the law operates to the disadvantage of those engaged in agriculture. The Federal Royal Commissioners recommended that the averaging system be brought into force, and I know that since the amalgamation of the two taxation departments the Federal Commissioner is anxious that our law should be brought into line with that of the Commonwealth.

Mr. McCallum: Is that to apply to the farmers only?

Mr. JOHNSTON: No, to all primary producers.

Mr. McCallum: Not to the masses!

Mr. JOHNSTON: I am prepared to give a fair deal wherever a case can be made out. The member for Mount Magnet has on the Notice Paper an amendment which appears to cover the worst cases. Personally, I am more clearly aware of the effect this legislation has on the agricultural and pastoral industries. For them it is necessary that the averaging system should be introduced, and I will support the amendment to be moved by the member for Mount Magnet.

Mr. SAMPSON (Swan) [5.43]: I disagree with the hon. member in his suggestion that to endeavour to collect taxation from the estate of a deceased person is something in the nature of a ghoulish act. The estate of the deceased should be liable for whatever tax he would have had to pay had he lived. The striking out of that provision from the Bill might serve to encourage non-payment of taxation on the part of those likely to pass away. At first blush it may seem hard, but really there is no reason why the income tax should not be paid. Of course if it is but a very small sum which the deceased has left for his widow and orphans, some consideration should be shown. The intention of the clause is not to cover the small sums which may be collected, but the large sums due from the big estates. The State would be a heavy loser if death should prove a bar to the collection of amounts from big estates. I agree with the views of a previous speaker as to the withdrawal of the 4 per cent. exemption upon premises used for business purposes only. On the one hand there is the suggested abolition of the 50 per cent. additional taxation upon absentee taxpayers and, on the other, the abolition of the 4 per cent. exemption. People would be discouraged from coming to Western Australia and erecting their own premises if the 4 per cent. exemption were struck out.

The Minister for Works: How do you justify it?

Mr. SAMPSON: If a person assists in developing the State by erecting premises of his own, he is performing a worthy action. The answer may be that a man would do this to suit his own purpose, but it does not matter what the purpose is if the result is good for the State.

The Minister for Works: How do you reconcile that with the 5 per cent. charged by the Federal authorities on your own home?

Mr. SAMPSON: I do not pretend to understand the actions of the Federal Government. The 4 per cent. exemption should be allowed to remain. I am opposed to the imposition of the 50 per cent. additional taxation upon persons who live out of the State. We should do all we can to encourage the investment of foreign capital in Western Australia. There is plenty of opportunity for investing money here in developing industries, and in other ways. It is our duty to make the position sufficiently attractive to cause people to bring their money here. It is, of course, a painful thing to see money going out to those who do not live within the State, but we have to look at the matter in a reasonable light. If we remove all the elements that might attract capital, the result will be that Western Australia will suffer. I hope the clause giving the department power to collect from the estate of the deceased will remain. Subject to these remarks I will oppose the second reading of the Bill.

Mr. PICKERING (Sussex) [5.47]: When the proposal came before the House to hand over the collection of taxation by the State to the Commonwealth, I anticipated that considerable trouble would accrue to the taxpayers, and the result forecasted by members who spoke against the proposition has come about. The whole tendency of this Bill is to place more difficulties upon the taxpayers. The Bill primarily owes its origin to the bureaucracy controlling taxation, and is brought down to make their position more secure. Many of the clauses of the Bill require careful consideration at the hands of members, and I trust that before it leaves this Chamber, the measure will be considerably modified. I should prefer that the Government brought down a definite scheme for increased taxation, rather than that they should attempt to bring about these increases by the method suggested under this Bill. I am opposed to the proposed charge against the estate of a deceased person, though I would not mind that provision if it was only made to apply to persons whose incomes have been above a certain amount. When, however, the Government start collecting these dues from persons who have only enjoyed a small income, and whose wives and families would find the utmost difficulty in carrying on after the death of the bread-winner, I regard the attempt as inhuman. So long as I have a voice in this Chamber, I shall oppose any increase of taxation falling upon people with small incomes.

Hon. W. C. Angwin: Would you oppose probate duty?

Mr. PICKERING: We know that probate duty has to be collected upon the estates of deceased persons.

Hon. W. C. Angwin: This is the same thing.

Mr. PICKERING: I regard this as a fresh avenue for exploitation on the part of the Taxation Department of people who are unable to bear any further taxation. There are many persons in my own electorate who have so small an income that they are hardly able to make ends meet. Although they are most careful in their manner of living, they find it necessary to use up the whole of their income in maintaining themselves and their families. What would be the position of the dependants of a man who, because of the smallness of his income, was unable to leave anything upon which his widow and family could live? We should not impose additional burdens upon such people. Unless there is some limitation in regard to the income upon which such an impost can be made, I shall oppose that particular part of the Bill.

Hon. W. C. ANGWIN (North-East Fremantle) [5.49]: The general trend of the argument so far is that something will be imposed upon those connected with the pastoral and farming industries, and upon mine owners. I have not heard a single word, since the Leader of the Opposition spoke, dealing with those who are scarcely earning bread and butter.

Mr. Troy: They do not pay any taxation.

Hon. W. C. ANGWIN: They do. Not only do they pay taxation on their own account, but they pay the taxes for the farmer and for the pastoralist, and, in fact, pay most of the taxation which exists to-day. These are the people who have to work hard for their living.

Mr. Pickering: Do you not think the farmer has to work hard?

Hon. W. C. ANGWIN: They assist the farmer to earn his money. The taxation is all passed on to the general community.

Mr. Latham: By the farmer?

Hon. W. C. ANGWIN: By every person. I should like to see a clause inserted in the Bill preventing any person from passing on taxation.

Mr. Pickering: How are you going to do that?

Hon. W. C. ANGWIN: In the same way that this is done in other directions. Let me take the case of a man earning £3 10s. a week. He has to pay taxation. For six months of the year he may not be doing anything, and his earnings may not be more than £75 or £80. He certainly pays no tax that year, but if in the following year he earns a taxable income he has to pay tax. No one has asked for consideration for such a man, or for an averaging of his income over a term of years. It is unfair to apply this principle to the casual worker, we are told, but quite fair to apply it to the pastoralist, the mine owner, and the farmer. I call that class legislation. What we have asked for is that there shall be no distinction between one set of persons and the other. We have asked that all shall be placed in the same position, and that there should be a general

exemption up to a certain amount. We have not asked for differential treatment for the workers. Any man who is drawing his income from land is to-day exempt from one tax. He only pays that tax which is the higher.

Mr. Latham: That is enough.

Hon. W. C. ANGWIN: This is the case whether the man has invested in property in St. George's-terrace, or Hay-street, or in broad acres and has become a producer. He only pays the one tax, whereas the worker has to pay two taxes. The worker may have invested money in his own home, upon which he has to pay land tax, and in addition he has to pay a tax upon his income.

The Minister for Works: He pays on the bigger income.

Hon. W. C. ANGWIN: Not unless the individual gets an income from his land. Unless that is the case, the individual pays both taxes.

Mr. Troy: But if I had a property out in the country and a private house here—

Hon. W. C. ANGWIN: If the hon. member had money to invest in a mine and was drawing an income from it, he would have to pay income tax. If he had that money invested in house property, he would have to pay 5 per cent. to the Federal authorities.

Mr. Troy: I do not derive any income from my private house.

Hon. W. C. ANGWIN: When the hon. member was speaking he was talking about the Federal taxation all the time. If he would introduce a provision whereby the casual worker was put in the same position as he is willing to put the farmer, he would have my support.

Mr. Troy: I will do it.

Hon. W. C. ANGWIN: Everyone should be placed upon an equality with others, and all should be fairly treated. The only way to do that is to make a general exemption to apply all round. Parliament did a wrong thing when it wiped out the exemption of £200 some time ago. It would not have been done but for the Acting Treasurer of the day entering into an arrangement with the farmers' party, whereby the farmers would pay one tax only. This took place while Mr. Gardiner was away. He had said to the farmers' party, "We will wipe out the two taxes if you will assist us in wiping out the £200 exemption." Parliament then closed down and they were given a few days in which to think it over.

Mr. Harrison: That is an assumption.

The Premier: I never heard of it.

Hon. W. C. ANGWIN: It is not an assumption; it is a fact. My leader was away at the time, and I was acting on his behalf, and know what I am talking about.

Mr. Troy: Did they let you know?

Hon. W. C. ANGWIN: I fought them all I could. To impose just taxation and put it on a fair basis, we must provide what the Premier called a "fixed exemption for bread and butter." The Premier has always approved of such an exemption and I am sur-

prised that he has introduced a Bill without making provision for that aspect. I do not know why he has not done so, unless it be that some of his colleagues have influenced him.

The Premier: No, they have not bothered me about it.

Hon. W. C. ANGWIN: That has been the Premier's contention in the past.

The Premier: I did not get much support for it in the past.

Hon. W. C. ANGWIN: I admit that. We have heard and read a good deal regarding the charge which is made on an estate of a deceased person. What is there in this contention? On the 30th June every person has to make out his income tax form. In the case of the deceased person, he has sent in his return but unfortunately passes away subsequently. The assessment is made out by the Taxation Department and surely the tax is a just debt, equally with an amount of £50 owed by the deceased to anyone else prior to his death. That is the whole thing here.

Mr. Latham: Suppose that deceased person left a widow and family with very little.

Hon. W. C. ANGWIN: That individual would have to pay probate duty, if he left an estate. The position under the Bill is similar to that regarding probate duty. If it is wrong for a trustee to pay taxation on income received by a deceased person during the previous 12 months, it is equally wrong to impose probate duty.

Mr. Davies: They do not charge probate on less than £500.

Hon. W. C. ANGWIN: I know it is a small amount. As a matter of fact, I was surprised to know that it was so low. I thought, when I had some experience in that connection recently, that it was a just debt in the same way as any other debt owed by a deceased person is a just one. There is nothing wrong about the proposal. I do not see how any hon. member can accuse the Treasurer of being callous in asking the trustees to pay just debts? We must all realise that we will never give satisfaction while we have to levy taxation. I hate my assessment notice, equally with anyone else in the community, no matter whether it is for rates, taxation or anything else. The great majority of people do not like paying taxation.

The Minister for Works: I do not mind the rates, but hang the other things.

Hon. W. C. ANGWIN: The Minister for Works does not like rates either; he would not give the local authorities power to charge rates, but would say: "We will tie them down." We are all opposed to taxation, but we cannot do without it. Here is where I disagree with the member for Pilbara (Mr. Underwood). We have no right to take into consideration the taxation imposed by the Federal Government. They are responsible for their own sins. We have to take the position confronting the State as it stands at present and see whether we can pay our way. If it is not possible to reduce our expenditure in any way at all, it is necessary

for the people to find money to meet the calls upon the Government. It is not a question of what the Federal people do but what our requirements are. As a State, we are on the same level as the Commonwealth in connection with taxation. Do hon. members think the Federal Treasurer, when he goes through his Budget and realises the necessity for increased taxation, will raise the question of how it will affect the State?

The Minister for Works: Not he!

Hon. W. C. ANGWIN: He would not give the State one moment's consideration. Like the State Government, the Federal Government like to try as far as possible to throw the responsibility elsewhere. The Federal Government try to throw the responsibility on to the State Government, and the State Government, in turn, try to throw the responsibility on to the local authorities. The Federal Government realise that we are more closely in contact with the taxpayers and, consequently, that the State Parliament are more likely to get the blame while the Federal Parliament will get off scot free. In the same way, the local authorities here may be expected to carry the blame while the State Government go free. I hope when in Committee there will be some small amendments agreed to. I regret that the Premier has not sought to provide for the general exemption which he believes in and not set out exemptions for one section and not for another. He should not ask one person to pay one tax and another person to pay two taxes. Everyone should be placed on an equality. If that had been done, the Bill would have been reasonable. I support the second reading of the Bill, and when the Leader of the Opposition seeks to amend the measure in Committee, I hope he will receive support.

Mr. TEESDALE (Rockbourne) [6.6]: I support the second reading of the Bill. I have been struck with the inconsistency of several members who have spoken. This sort of thing emanates from those members who are, day by day, bombarding the Government with requests for something or other for their electorates. How they expect the Government will provide for their many wants, I do not know. I have noticed repeatedly that members who are conspicuous by their constant requests to the Government for bridges, culverts, roads and so on, here, there and elsewhere, are mostly those who seek to gain a little cheap notoriety by nagging at the Premier and Ministers constantly regarding the finances and other matters. How such members expect the country to go on without taxation, I do not know. We have had a most pathetic and harrowing picture drawn for members as to the position of widows and their families. We are all sympathetic with widows. No one has more sympathy with a widow in her sad circumstances than I have, but there are widows—and widows. What about those magnates who came back from the Front with more money than they ever had before? Some of them have done very well indeed during the war, and have thousands

now, where they had "bobs" before. Is there any reason why those people should be exempt from this taxation, just because the man dies before or after July? They have a perfect right to pay. Why make a distinction between the widow of a husband who dies at a certain period of the year and the widow of another who dies at an earlier or later period? It certainly presses hard on those who are in poor circumstances, but we have to look at things from a general point of view in a case such as that under review. The country has to be carried on and taxation is a positive necessity. It is useless to advocate economy on the part of the Government if we are everlastingly making requests for the expenditure of money and nagging the Government for those works.

THE MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [6.9]: No one in his senses will doubt that if funds are required by the State the necessary money must be found. On the other hand, there is no doubt that the administration and collection of taxation should be carried on sympathetically and with due regard for those who have to pay. In connection with the Federal Government, I know that some portions of their arrangements are very wrong indeed. I hope the Government or any other State Government, will not follow their methods. I know instances of people getting on in years, some who are over 70 years of age, who saved a little, which they invested in property and that is all they have. People like that have to pay from 50 to 75 per cent. more taxation than younger people, who are still able to work. I quite agree that income which is derived from legacies and so forth should pay taxation and pay well, but I do deny the right to tax on what amounts to the result of saving and thrift in the early part of an aged person's career. I know a case which proved very hard, where people have been absolutely ruined in order to pay probate duty and where the only portion of the estate earning income had to be sold to satisfy the rapacity of both Taxation Departments. These are the sort of things which reach the hearts of hon. members; these are the things we must relieve; these are the things that will lead eventually, in both the State and the Commonwealth, unless care is taken, to the people adopting the remedy referred to in the Bible, when the people "uprose in their wrath and smote the tax gatherers." Taxation is all right in a way, but there are no howels in connection with tax gatherers in this State. The new forms which were instituted after the amalgamation of the State and Federal Department, were supposed to be simplified, but they are worse than ever. I speak from experience, for mine drove me pretty well "ratty." I know of some families where men have had to pledge their estates and had to work for wages in order to pay probate duty, and yet no consideration was given by the State or Federal people. There is one particular estate in the Bridgetown district

where the deceased person left a fair amount to his family. The son had to pledge his own estate and eventually had to work for so much per day simply because he had been left a legacy by his father. Thus he lost his own hard-earned property. These things have caused, people in my own constituency to ask me to rise and speak strongly on this question. I do not know that that state of affairs can be altered under the present Bill, but it is for the Government to consider whether anything can be done to rectify the position to which I have referred.

Mr. ANGELO (Gascoyne) [6.13]: During the course of the debate on the Budget, I pointed out to the Premier that, in my opinion, there should be a complete revision of the taxation measures, because the conditions which existed when those now in force were passed by Parliament were totally different from what they are to-day. I wished to stress the difficulty facing the pastoral industry at the present time, but the member for Pilbara (Mr. Underwood) has so completely put that phase of taxation before the House, that I do not intend to take up the time of hon. members on that point.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. ANGELO: Before tea I was saying that, in common with many other members of the House, I thought the whole of our taxation measures should be put into the melting pot and brought more up to date and more into conformity with the conditions existing at the present time, as against the conditions which existed when those measures were framed. The Leader of the Opposition has expressed himself in this way, and so have many other members. I feel sure the Premier himself is of that opinion, but I presume the reason why he has not brought in a comprehensive measure this session is that he is awaiting the report of the Federal Taxation Commission. We can look to the introduction of a Bill early next session which will deal fully with the whole of our taxation measures, so that the passing of this amending Bill will only have the effect, as it were, of marking time until the more important measure is introduced.

Mr. Troy: Where did you get that?

Mr. ANGELO: That is what I have gathered from the speeches which have been delivered. I would like the Premier to advise the House that this is his intention. If it is so, it will be a good reason why some of us should support him in getting the Bill passed without very much amendment. I was pleased indeed with the speech made by the member for Pilbara (Mr. Underwood) who fully set out the difficulties which exist under the taxation measures as they stand to-day. He mentioned the instance of a station owner who had suffered tremendous loss in stock, and who will experience great difficulty in meeting the income tax demands in respect to the increase of stock as the

years go on. I can bear out what the hon. member has said by quoting another instance. A friend of mine had 80,000 sheep. Three years of drought followed and his flocks were reduced to 17,000. Against that 17,000 he had a considerable overdraft with his bankers. What incentive is there for that man to try to build up his flocks again? As he builds up his flocks he will be charged heavy income tax on the natural increase. There is no help for that man; I think he must go down. It is impossible for him to be paying at the rate of 8s. for every lamb that is dropped while, at the present time, he is getting not more than 3s. for his grown sheep. The member for Pilbara put the position very clearly before the House, and showed the Premier the necessity for altering that incidence of taxation at any rate. I am afraid that, with the present incidence of taxation, we cannot look for any increase in the flocks and herds in this State.

Mr. TROY: Not if a comprehensive measure is passed next year?

Mr. ANGELO: I have already said that, if the Premier promised to introduce a comprehensive measure which we could debate from every point of view, we might let the present Bill pass without much amendment. There is one clause which is rather too dangerous to pass. I refer to Clause 6, which proposes an amendment of a very far-reaching and unprecedented nature, and is clearly a tax on capital as defined by every court in England, Scotland and Australia. If such a principle is once admitted, there is no logical reason to prevent its being extended to cover every case of profit made on sales of land or household furniture. The object of this is simply to try to side-track the decision of the High Court given the other day in the case of Robert Newman versus the Commissioner of Taxation. I think we ought to be very careful before passing this particular clause. If such an extension were allowed, then, in justice to the taxpayer, allowance should be made from ordinary income where property was sold at a loss or at a lower figure than what was given for it. There is another matter which we might consider, namely the provision under which a person who has been assessed for income tax is debarred from obtaining a refund unless the action is commenced within 12 months of the due date of the assessment, even though the income which was the subject of the assessment was not correctly charged. This is provided for in Section 62 of the Act, and there is a similar provision under Section 37 of the Crown Suits Act. Against the Crown no statute of limitations whatever applies, but the taxpayer who has wrongly paid tax is debarred, after 12 months, from obtaining redress. This Bill proposes to extend the period from 12 months to two years, but that is hardly fair. If the taxpayer is allowed only two years in which to obtain redress against a wrong assessment, the Commissioner of Taxation should be subject to a similarly limited period. However, I do not

think that any limitation should be made except in the case of fraud. If the Premier gives us an assurance that a comprehensive measure will be brought down at an early date, I think we might let this Bill pass with very little amendment.

Mr. DURACK (Kimberley) [7.40]: Until this afternoon I had no opportunity of listening to the debate on this question, but I must say that I listened with great attention to the member for Pilbara (Mr. Underwood) who, I think, put the position from the primary producers' point of view very clearly indeed.

Hon. P. COLLIER: It seems to me that all your speakers have been coached up from the one source.

Mr. DURACK: A great many of the taxation proposals put before this House might well receive the consideration of a committee selected from representatives of all sections of the House. There would then be an opportunity to present to the Government recommendations which probably would lead to the introduction of a Bill containing more acceptable provisions than those before us. I quite realise that none of us like being taxed, but we know very well that taxation is necessary. We are prepared to pay taxation provided we are satisfied that it is affecting us all proportionately. As the member for Pilbara remarked, the primary producers feel that taxation hits them in a greater measure than it hits the man in the city. Take an individual who starts on a pastoral holding. He invests, say, £1,000 in a property and goes on from year to year accumulating perhaps a certain amount of money and stock until, at the end of 10 years, he sells out at a profit. This profit would be very small as compared with the amount which would be returned to a man who purchased £1,000 worth of property in the city, waited for 10 or 15 years, and then reaped the unearned increment. The man in the city would be able to sell his property and would be called upon to bear no taxation at all, whereas the primary producer would be called upon to pay heavy taxation. We primary producers feel that the law as it stands does not give encouragement in a very necessary direction, namely, in the direction of encouraging men to go out and develop the country. The Bill contains a clause which is causing many of us primary producers a certain amount of anxiety. We regard it as a clause inspired by the taxgatherer himself and I personally believe it is introduced by way of resentment against the defeat suffered at the hands of various courts throughout Australia. The member for Gascoyne (Mr. Angelo) has already referred to this. I do not know that I need say very much beyond that it would be a very dangerous principle to establish. I cannot do better than quote a ruling given by the late Chief Justice of the High Court, Sir Samuel Griffith, in the case of Mooney versus the Deputy Commissioner of Taxation in New South Wales, and I might remark

that the judgment applies equally to this State. He said—

The proceeds of property sold are *prima facie* capital and not income, and I do not think that the term "profits" in Section 68 of the statute of New South Wales includes the difference between the cost price of property and the price at which it is afterwards sold, unless the buying and selling of such property is the ordinary business of the person alleged to be a taxpayer.

This case was taken to the House of Lords and their Lordships in delivering their ruling said—

Their Lordships agree with the High Court that a change in the form of property by a person who does not traffic in that kind of property cannot be regarded as producing income taxable under the Income Tax Acts.

It appears now that under Clause 6 an attempt is to be made to substitute a tax on capital. Before this measure is passed some amendment should certainly be made to that clause. On the question of the taxation of absentees there has been a good deal of argument. At the first blush it seems reasonable that absentees should be taxed, but that to me is not the point. If there is one State in Australia that requires to be developed more than any other, it is Western Australia, and we should give the fullest encouragement to those with capital to invest it in this State. I do not know what taxation is paid by absentees, but no matter what it is I think we might favourably consider the deletion of that section of the Act which imposes this tax. There are many people who resent having to pay such a tax, and whilst we continue to impose it they will possibly avoid investing money in this State. There are many people who have their home ties in the old country and for that reason they do not come here to live. I believe, however, that if we did away with the absentee tax it would encourage the investment of capital here. We should endeavour to establish a better feeling with capital abroad and we can do that by deleting that section of the Act which imposes the absentee tax.

Mr. Johnston: Why not encourage him to spend his money here?

Mr. Corboy: The hon. member is thinking of going to London.

Mr. DURACK: There is a clause in the Bill which provides for the exemption of prospectors from the taxation to which they have been subjected for some time past. The prospector should receive every encouragement to develop the country, and he is entitled to exemption from taxation in connection with any find which he may make. It will, however, be necessary to define what a prospector is. A stockman on a station may accidentally come across an area which might be rich in gold. He immediately abandons his vocation as a stockman which he has followed for perhaps 20 years, and in a short

space of time may sell his new find for a large sum of money. Would that man be regarded as a prospector? Take the case of a pearler who may accidentally make a rich discovery of pearls. Would he be regarded as a prospector? We should have a clear definition of the meaning of "prospector." It is also proposed in the Bill to follow a man beyond his grave. During the earlier portion of a man's lifetime he is much exercised in his mind about making a competency for himself, and in the later years he is exercised in his effort to retain what he has already acquired. He is followed right through by a taxation infliction—if I may so call it—and now we propose to follow him still further, by providing that the taxation department shall pursue him to the grave. I do not like the tone of such a proposal and it should not be included in our legislation.

Mr. Lambert: What about probate duties?

Mr. DURACK: The Government receive a fair amount in that way. The proposal in the Bill is unsavoury.

Mr. Lambert: All taxation is unsavoury to some people, and especially to those who can best afford to pay.

Mr. DURACK: I will not take up any further time except to express the hope that in Committee the Bill will be so amended as to become more effective than it is at present.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Stubbs in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 2:

Mr. A. THOMSON: I move an amendment—

That in lines 1 and 2 the words "omitting the interpretation of the word 'improvements' and" be struck out with a view to inserting other words.

I had an interview with the Deputy Commissioner of Taxation and he offered no objection to the suggested amendment.

Hon. P. Collier: The Commissioner of Taxation is not in charge of the Bill. A nice thing consulting a public official on a subject of this kind!

Hon. W. C. Angwin: Give us his reason.

Mr. A. THOMSON: He should be able to define what is an improvement.

Mr. LATHAM: I intend to oppose the amendment because Parliament should have the right to define what improvements are. If we allow the definition to be determined by the Taxation department we shall hand over to that department what is undoubtedly our right.

The PREMIER: I am of the opinion that the proposal contained in the Bill is better than the old one which the hon. member wishes to retain. The proposed defini-

tion names all sorts of things that may be regarded as improvements. I do not know that the hon. member need bother very much about the clause.

Mr. A. Thomson: Let us have the original proposal.

The PREMIER: Everything that can be included is included.

Mr. Harrison: What do you consider a fair valuation for a farm?

The PREMIER: I do not know that I am called upon to say. I hope the Committee will allow the clause to stand as printed. It covers everything that can possibly be covered by the present interpretation.

Hon. W. C. Angwin: And it might go a little further.

The PREMIER: I think it does go further. An improvement of small cost might add a great deal to the value of land. On the other hand, if, say, £3 per acre were spent on clearing land, while the extra value given to the land by the clearing was only 30s. per acre, then only 30s. per acre would be calculated. Of course, such a case is not likely to happen often. Whether this clause goes in or the old interpretation is retained, will not make much difference.

Mr. Latham: Let us have the old interpretation, then.

Mr. PICKERING: Better the devil we know than the devil we do not know. I am satisfied that this suggested interpretation emanates from the newly-created amalgamated department. My experience tells me that the existing interpretation has worked very well, at any rate from the taxpayer's point of view. I see no advantage to be derived from this clause. Indeed, I have my doubts as to the true inwardness of various clauses of the Bill.

Mr. TROY: What puzzles me is how the Taxation Commissioner is going to arrive at the true value of improvements. The cost of making improvements is less at some periods than at others. For instance, in 1911 the cost of clearing was 25s. per acre; now it is 35s. Which amount would the Commissioner allow? What is going to be the basis of a fair valuation? The clause says "irrespective of the cost of improvements." The better course would be to provide that the owner of land must make a statutory declaration as to the cost of improvements. No land owner makes improvements at unduly high cost if he can possibly help it. Further, the proviso to the clause says, "Provided the added value shall in no case exceed the amount that should be reasonably involved." The Taxation Department are merely concerned about getting more revenue, irrespective of the effect on the individual taxpayer.

The PREMIER: The intention is not to raise more revenue. The clause is more favourable to the taxpayer than to the Taxation Department. I thought I was doing something for the taxpayer by this clause, but the proposal seems to be viewed with suspicion; so I am willing to let the clause go.

Hon. W. C. Angwin: You have done some thing for the property owner, but nothing for the worker.

The PREMIER: Throughout the Chamber there is an air of suspicion. Let this clause be struck out if the retention of the present interpretation of "improvements" is desired.

Hon. W. C. ANGWIN: The Minister should stand by the Bill as he has introduced it. The member for Katanning has stated that he went to the Commissioner of Taxation and discussed this clause with him, and that the Commissioner expressed himself as indifferent whether the present interpretation is retained or not. But the hon. member has not told the Committee why the Commissioner of Taxation, or the Government wanted the amendment made. Personally, I never think of going to a Government office to discuss a Government Bill without first having obtained the permission of the Minister concerned. Had an hon. member done such an act while I was Minister, and had the officer given him any information, I would have told that officer to go about his business. The practice is entirely wrong. The member for Katanning, having done this Act, should place other members of the Committee in the same position as himself by giving a full account of what occurred at the interview. Even the Premier has not told us exactly what the amendment was wanted for. He did, however, say that he wished the Committee would not carry the amendment of the member for Katanning. Then, upon finding that another cross bench member was of the same opinion as the member for Katanning, the Premier expressed willingness to let the clause go.

The Premier: Because hon. members view the thing with suspicion.

Hon. W. C. ANGWIN: The interpretation in the existing Act covers all manner of improvements. It is the duty of the assessor to fix the value of the improvements. Even to-day it is proposed to make a valuation of the whole State. The Commissioner of Taxation says it is about to be done. He has asked the local authorities to join in the work, on the understanding that the resultant valuations shall be available to them. The clause might facilitate the making of that valuation, although in that regard it is not much better than the interpretation in the existing Act. No valuation could be satisfactory which did not take cognisance of every improvement.

Mr. TROY: The interpretation in the existing Act which sets out clearly what "improvements" means is more satisfactory than the one in the Bill. The intention of the Taxation Department is to value the land on what they deem to be the reasonable cost of improvements. The danger is as to their interpretation of "reasonable." If the amendment be rejected I will endeavour to have the whole clause struck out.

The Premier: I suggest that the amendment be withdrawn and the clause struck out.

Mr. A. Thomson: I will withdraw the amendment.

Amendment by leave withdrawn.

Clause put and negatived.

Clause 3—agreed to.

Clause 4—Amendment of Section 10:

Mr. A. THOMSON: I will vote against the clause, and if it be negatived, I will move at a later stage to insert a new clause in its place. Under the clause there could be no protection whatever for the settler who, having come late into the district, has had no alternative to taking up his land in several parcels, whereas the more fortunate man who arrived early and was able to select the whole of his land in one parcel will get, on the score of his improvements, a rebate of one-half the tax. I want to secure the same privilege for the man who, having his land in two or more parcels, has concentrated his improvements on the home-stand block.

The PREMIER: The hon. member, of course, cannot get in his proposed new clause until the end of the Bill be reached, and unless he can get this clause struck out he will not be able to move his new clause at all. Clause 4 is essentially reasonable. We are always hearing complaints of unimproved land lying idle. It must be remembered that all agricultural land is exempt from taxation for the first five years. Surely a man having two blocks of, say, 1,000 acres each, will not leave the second one unimproved for five years! When the Act of 1907 was passed one could understand people being given time in which to improve their lands. To-day things are different, and they have had plenty of time to do something with their several holdings. A man has five years in which to effect the necessary improvements. Further, if he uses his land he does not pay both land and income tax. If we want this amendment it means that a man can hold land at Northam, more at Katanning, and still more in the North-West, and the holdings count as one. He can improve the land at Northam and let the others go unimproved, and so escape taxation. I do not think that is desirable. If the clause needs amendment, I propose to say that two blocks of land divided by a road or river shall be considered as one property. Our lands must be improved. During this session the member for Katanning has complained about unimproved land adjacent to railways. I hope the Committee will insist upon improvements being made on the various blocks held by one person. In the case of a new man, he does not pay land tax for five years.

Mr. LATHAM: The Premier has misinterpreted the views of the member for Katanning. He says we have no desire to assist the Government in utilising the land along our railways.

The Premier: I did not say that.

Mr. LATHAM: I had that idea. A man can hold 2,000 acres of first-class land in blocks adjoining each other and get a certain exemption, but another man may have to take up the same area in several different blocks and he does not get the same treatment as the other man.

Mr. O'Loughlen: There cannot be many cases of that sort.

Mr. LATHAM: There are hundreds of cases of that sort. Unless these difficulties are removed, people will not take up these isolated blocks.

The Premier: You cannot name five.

Mr. LATHAM: I can. There is plenty of good land in small parcels, but those blocks do not adjoin. Consideration should be given to those people who are prepared to take up land in scattered blocks. If the Committee will carry out the suggestions of the member for Katanning, I think people will take up land which at present is unused.

Mr. TROY: The section of the Act which permits people, by making improvements on one block, to hold other blocks without improvement is a bad one. Some people have to take up isolated blocks in order to make up one good block, but I do not know of many such instances. I do know of a pastoralist who is buying up a number of properties, which are situated 80 miles apart. He will hold these by virtue of the improvements on his other property and will be exempt from taxation. That is not right.

Mr. PICKERING: The member for Katanning is considering more the development of the wheat areas. In the South-West the land which is most valuable is that which has had most money spent on it in the way of improvements. If it were possible for the Minister to postpone the clause with a view to complying with the wishes of the Country Party by framing an amendment in the direction indicated, it would serve the purpose.

The MINISTER FOR AGRICULTURE: The principle of applying improvements on one block of land to another is a bad one. The conditions that were provided under our Land Act 25 years ago are the same conditions that exist to-day.

Hon. P. Collier: The most liberal in the world.

The MINISTER FOR AGRICULTURE: That is so.

Mr. A. THOMSON: The amendment does not take away from the rights of the Commissioner of Taxation. It gives him power, however, to set up a court of review, and the amendment, which I propose to move, will have the effect of placing owners of small parcels of land in the same position as owners of other large parcels of land which are surrounded by a common boundary fence. Any amending measure to a taxation Act should be framed so as to see that justice is done to those concerned and that the people least able to pay the tax shall not be placed at a disadvantage compared with others.

The Premier: If you carry all your amendments, there will be no taxation at all.

Mr. Latham: This particular amendment will not affect it much.

Mr. A. THOMSON: The Premier indicated that the Bill was not intended to increase taxation.

The Premier: But you are proposing to decrease taxation.

Mr. A. THOMSON: I am agreeable to the proviso being cut out.

Hon. P. Collier: On a point of order, what is the member for Katanning discussing? I understood he was moving for the deletion of Clause 4.

The CHAIRMAN: The member for Katanning has sent up another amendment which he proposes to move in place of the one to delete Clause 4, but he has not moved the amendment yet. I am waiting for him to do so.

The Premier: I thought we were discussing the amendment to delete Clause 4.

Mr. A. THOMSON: I move an amendment—

That all the words after "by" in line 1 be omitted and the following words inserted in lieu: "and the several parcels are occupied and used by the same person for agricultural or other purposes as aforesaid: Provided also that an appeal shall lie to the Court of Review from any determination of the Commissioner that an owner of land claiming that such land should be deemed improved within the meaning of this section is not entitled to the rebate."

Amendment put and negatived.

Clause put and passed.

Clause 5—Amendment of Section 16:

Mr. TROY: I move an amendment—

That in line 1 after "amended" the following words be inserted: "by omitting the words 'one hundred pounds,' in the first proviso to Subsection 1, and inserting in place thereof the words 'two hundred pounds,' and by omitting the words 'one hundred and fifty-six pounds,' in the second proviso to Subsection 1, and inserting 'two hundred and fifty-six pounds' in place thereof."

The amendment means that instead of providing for an exemption of £100 in the case of a single man and £156 in the case of a married man, the single man will receive an exemption of £200 and the married man one of £256. The Premier, when speaking on this subject, said that the exemption was too low both for the single and the married man.

The Premier: No, I did not say that altogether.

Mr. TROY: The Committee have never admitted the principle of taxing the necessities of life.

The Premier: They carried it.

Mr. TROY: Yes, in opposition to the majority of members. I was struck by the

number of candidates at the last general election—and the majority of the members of this Chamber are included in that category—who admitted that the exemption in the case of married men was too low. I do not remember one member from the Premier downwards who did not admit that £156 was too little to exempt. The Premier has admitted in this Chamber that it is not a sound principle to tax the living wage. Members know the position as well as I do, and I give those members who made promises on the hustings an opportunity to fulfil those promises now.

The PREMIER: The member for Mount Magnet is quite right in saying that I have advocated a "bread and butter" exemption. I have done that in years gone by, but I could never get sufficient support.

Mr. McCallum: We will give you sufficient now and we will give you some encouragement to-night. We will provide the taxation under this Bill.

The PREMIER: I do not think that hon. members will do that. The position to-day is that every penny of taxation collected from all sources, has gone in the free services given to the people of Western Australia. We do not get enough from taxation to cover the expenditure on the Medical, Health, Charities and Education Departments.

Mr. McCallum: You are taxing the wrong people.

The Premier: Of course, we are always taxing the wrong people.

Mr. Lambert: You are trying to get blood out of a stone.

The PREMIER: Hon. members should realise what the position to-day really is. So far as the ordinary Government expenditure is concerned, we can make both ends meet, but when it comes to a question of the railways and other public utilities, the loss day by day is very considerable. As a matter of fact, I do not know what will happen, but it may mean a considerable increase in taxation. This is no time to let go taxation. I would be glad indeed if I could agree to the exemption being raised to £200 for everyone. Wages are very much higher now than they were when we discussed this matter before. To-day there are very few men who are working constantly, who earn less than £200. Some young people are earning that amount and a lot of young ladies in the Government service get £204.

Mrs. Cowan: And the drivers of milk carts get that much. It is not only the young ladies.

The PREMIER: I do not say that they should not get it. I say they do get it, and that being the case they should pay taxation.

Mr. McCallum: It is shocking to think that a man driving a milk cart should get £200.

Mr. Lambert: Really too shocking.

Mr. McCallum: They should really do it for nothing.

The PREMIER: I desire to point out that if we continue to give free services to the people, we must have taxation and this is no time to reduce it.

Mr. Willcock: You can alter the incidence of the taxation.

The PREMIER: I do not think so.

Mr. McCallum: Yes, you can under this Bill and we will help you to get it.

The PREMIER: If we do not get sufficient taxation, some of these free services will have to go.

Mr. Marshall: What about taxing unimproved land values?

The PREMIER: All right. We can do that. We can tax the land and let everything else go free. If the member for Murchison owned land and had to pay tax, he would know that it was pretty heavy. I have supported the granting of a large exemption in the past, but, owing to the present conditions, if the services are to be continued, they must be paid for.

Mr. McCALLUM: I regret that the Premier has shifted from the good opinions he held previously.

The Premier: I have not shifted at all.

Mr. McCALLUM: We can assure him of assistance to carry out the very laudable views to which he gave expression in times past, when he believed in a bread and butter exemption.

The Premier: I still do; show me how to do it.

Mr. McCALLUM: We are prepared to assist him to get the same aggregate revenue from income tax if he will alter the incidence. Under the existing law there is practically no exemption. If a married man earns £157 he pays taxation, not on the one pound, but on the whole £157. If a single person earns £101, he pays on the whole amount, although the exemption is £100. A waitress or housemaid earning 15s. a week must assess board and lodging at 25s., bringing her income to more than £100 a year, and she has to pay income tax on £2 a week.

Hon. W. C. Angwin: When our wives go to the Arbitration Court, they will have to pay, too.

The Premier: Where are girls working for 5s. a week?

Mr. McCALLUM: Any number of them are working for that.

The Premier: I thought they were getting 0s. a week.

Mr. McCALLUM: There is a minimum rate of 32s. 6d. for coffee palaces, but there are plenty of girls in private homes getting 15s. a week. Although the Arbitration Court has laid down £4 a week as the basic wage, the Government last year collected £80,000 from people drawing under £4 a week.

The Premier: Nothing of the sort.

Mr. McCALLUM: That is what the report says.

The Premier: That is not right.

Mr. McCALLUM: The amendment does not go far enough. I want a complete exemption. If a man earns £10,000 a year,

the first £250 should be exempt from taxation. That is in accordance with the views frequently expressed by the Premier. There is nothing in the Act, so far as I can ascertain, which permits the Commissioner to tax housemaids on 25s. a week in respect of board and lodging. It is enforced, however, and there is no appeal. We will help the Premier to impose taxation on those able to bear it, if he will exempt girls getting 15s. a week and the men who are struggling on casual work. Very few casual workers on the water front averaged anything like £3 a week during last year. Whatever relief is given in this way should be made up by those better able to pay.

The Premier: Take all they have and throw every man in the State out of employment.

Mr. McCALLUM: That argument will not bear examination. When the masses of the workers are doing well, the State is doing well. They do not hoard their money. The Premier would do well to agree, if not to £5 a week exemption, to the basic wage rate laid down by the Arbitration Court. Anyone receiving below the basic wage should not incur taxation. In past Parliaments the Premier was defeated on this question. He should not desert his principles now. We will relieve the Premier from the pressure of his friends if he will only stick to his principles.

Mr. MUNSIE: I hope the Premier will accept the amendment, though it does not go far enough. It will not affect the principle of the Act, which is bad. The old Act, with its compulsory exemption, was much fairer. Every man in the mining industry, receiving the minimum rate of wage fixed by the court, will have to pay income tax under the amendment.

The Premier: Then what is the use of carrying it?

Mr. MUNSIE: It will relieve a considerable number of workers to some extent. There are 4,000 employees on the Golden Mile. They get 14 days' holiday a year on full pay, and not 14 of the number can afford a trip to Perth to enjoy it. Yet we tax these people. It is not fair to tax any man who is on the bread and butter line. The present Act is a scandal. I notice from the report of the Commissioner of Taxation that one section of the community earn less than wages and salaried men, but this I think is due to the inclusion among salaried men of those receiving as much as £1,200 or £2,000 a year. Dairymen, however, are shown as earning less than salaried and wages men. The amendment is no more than a fair proposition. Surely a married man should have the right to earn £256 before paying income tax. There are 22 classifications of those who pay income tax. Merchants and manufacturers top the list and they are the people who are squealing most. If the Arbitration Court gives an advance of 3d. or 6d. to the employees, the employers immediately

threaten to close down the industry. Yet we find that merchants and manufacturers paid income tax last year averaging £221. Pastoralists come next and then there followed in the order named doctors and dentists, hotel-keepers, lawyers, tailors, drapers, and tobacco-conists. The last on the list were farmers and orchardists.

Mr. WILLCOCK: The Premier should at least give us some indication that he intends to meet us. This matter has been fought year after year, and it is about time that a reasonable exemption was made in regard to income. We find that no less a sum than £20,000 was paid by people who, the Arbitration Court declared, received less than what was a living wage. That means that a considerable number received the Arbitration Court wage while they were working, but that by some misfortune they lost a certain amount of revenue, and on top of that there came the tax-gatherer with his heavy hand. I have heard different candidates asked questions in regard to taxation exemption, and I have not heard one say that he believed in taxing people who received an income less than what the Arbitration Court said was a living wage.

Mr. RICHARDSON: I feel compelled to support the amendment because I know well that it is an absolute impossibility for a married man to pay income tax when he is receiving less than £256 per annum. I know it presses hardly on such a person. The time has arrived when we should stand to those people who are workers and assist them out of the difficulties in which they find themselves. I regret that the member for Mount Magnet has raised the exemption for single men to £200. I think £156 would be ample for them, but I am not going to vote against the amendment on account of that. I consider that £256 is a fair exemption for a married man, and that £156 is a fair exemption for a single man. I trust that the hon. member will reconsider his proposal. There is no reason for us to interfere with the workers if we can raise the money by other means—an unimproved land values tax, for instance. This has been mentioned, but it has not again been spoken of by the Government. If we consider that any action the Government are taking is unfair we are justified in voting against it. I regard it as unfair to tax any married man at the present time who is not receiving £250 per annum. Therefore I intend to support the amendment.

Hon. P. COLLIER: I do not know whether the Premier anticipated having so many objections brought forward, but when a taxation measure comes down for consideration attention is drawn to many anomalies discovered during the operation of the measure. The House would not be just to itself or just to the country if reference were not made to the altered condition of things since the Act was first passed in 1918. Prior to 1918 there was a fixed exemption of £200. It was a most iniquitous thing for Parliament to do, to not only reduce the amount of the

exemption to £156 in the case of married persons, and to £100 in the case of single people, but to wipe out altogether the fixed sum under certain conditions. That would have been bad enough in pre-war days, but at about the same time as the exemption was reduced the purchasing power of the sovereign was falling. So that to-day when we are taxing those in receipt of £4 a week, it is equivalent to taxing a man who, only five or six years ago, was in receipt of, say, £2 a week, or at most £3 a week. If the House is not disposed to support the amendment in its entirety, it can be further amended. Member may take the view that under the present conditions of financial stringency we would not be justified in raising the exemption in the case of single men, or those without dependants. That, however, would not justify them in voting against the other portion of the amendment relating to married people. The average works out at £1 9s. for each taxpayer, but that is a considerable sum for a man who is not in receipt of an income sufficient to allow him to keep his family in reasonable comfort. Such an injustice it is the duty of the Committee to remedy. Further, it is the duty of the Committee to endeavour to secure an equivalent amount of taxation from some other source. I hope the Chamber will agree that relief is necessary for the married man now living on the basis wage. There are, for example, 303 pastoralists with incomes averaging £1,775. Perhaps they could stand a little more taxation. However, I do not say the pastoralists should be singled out specially for that purpose; there are other sections of the community who might also be able to contribute a little towards the deficiency involved in the carrying of the amendment, or a modification of the amendment.

Mr. MacCallum Smith: Will the mover of the amendment agree to reduce the exemption for single men to £156?

Hon. P. COLLIER: Perhaps that would be a fair compromise. If it came to a choice between the married man with a family and single person without a home to maintain, we ought to lean towards the person who has to keep up a home. The exemption should, however, be a fixed one, and not on a sliding scale with a liability to disappear altogether.

The PREMIER: I am perfectly satisfied that it is not necessary to exempt single persons to the extent asked for by hon. members opposite. Nobody should be exempt beyond £200. That ought to be a fixed exemption; but, in view of the free services the State is rendering, such an exemption is impracticable. Enormous sums are being spent on free hospitals, on charities, and on education. These things cannot be done without payment of taxes. It is not a hard thing for a man with £200 a year to pay some taxation in return for the free services he receives. The Federal Government get a great deal more in taxation than do the State Governments because of Customs duties; and apparently no one objects to the Federal taxation.

Mr. Willcock: We get back 25s. per head in respect of Federal taxation. That is approximately £400,000 a year, and pays for the free services.

The PREMIER: No, it does not pay for the free services. I do not think the Act ought to be altered in that respect at present. I stood by the fixed exemption when others deserted it.

Mr. Munsie: The Federal exemption provisions are better than the corresponding State provisions.

The PREMIER: I fail to see why people should not pay something in taxation. It is all very well to say other sections can bear the taxation, but other sections have had their taxes increased materially. I hope the Committee will not agree to the amendment. In any case, I do trust hon. members will not agree to exempt single persons with incomes of £200 a year.

Mr. Munsie: Make the absolute exemption £200, and I will support you.

The PREMIER: Much as I would like to do it, I cannot agree to that at this stage, when I do not see how the amount of the resultant deficiency would be covered.

The CHAIRMAN: It is competent for any hon. member to move to amend the amount of £200 mentioned in the amendment. If I put the amendment of the member for Mt. Magnet as it appears on the Notice Paper, it would be difficult afterwards to move another amendment.

Mr. TROY: I do not wish to jeopardise the principle by adhering to the £200.

Hon. P. COLLIER: I move an amendment on the amendment—

That the words "two hundred" be omitted from the amendment, with a view to the insertion of other words.

Amendment on the amendment put and passed.

Mr. MONEY: I move a further amendment on the amendment—

That in line 7 "£256" be omitted and "£200" inserted in lieu.

Mr. CORBOY: I oppose the amendment on the amendment. The amendment moved by the member for Mt. Magnet (Mr. Troy) provides an exemption quite low enough, considering the prevailing conditions. For four or five years have the people on the lower wages had considerable difficulty in paying their taxes. It is time relief was granted to them, especially to those who are married and have families. We have fixed the exemption for single men at £156, which justifies one in expecting that married men keeping a home together shall be entitled to the relief asked for by the original amendment.

Hon. W. C. ANGWIN: The member for Bunbury (Mr. Money) should have given reasons for his amendment on the amendment. Why should the exemption for married men be reduced from £256 to £200? I believe with the

Premier that there should be a fixed exemption applying to all persons.

[Mr. Angelo took the chair.]

Mr. Pickering: At what amount would you fix it?

Hon. W. C. ANGWIN: I put it at £250, which is not equal to £200 in 1914. I had intended to move that, had I been in the Chamber at the proper time. There is no justification to-day for collecting income tax from a man earning less than £256. No wonder the hon. member has not given reasons for attempting to reduce the exemption! Take the member for Guildford: with a family like his he could not possibly pay taxation if his earnings were limited to £250. I hope the Committee will not agree to reduce the exemption to £200.

Mr. DAVIES: I protest against the amendment on the amendment, the proposal to reduce the exemption for married men from £256 to £200. Of course, the Committee cannot be blind to the fact that the State is up against it financially. One hon. member, during the last election declared that the financial position of the State was due to the rejection of the Scaddan taxation proposals of 1914-15. If that opinion be honestly held, how can he be arguing for this reduction? No man in this State has suffered more from the inequity of taxation on married men than have I. Yet I cannot shut my eyes to the fact that the affairs of the State must be carried on. Here is an excellent opportunity for the Premier to see that equity be done to all sections of the community. Rather than rush into the matter and find ourselves in a difficult position, it would be better that we should report progress to-night. The Government may yet find it is necessary to cut down certain services, which would be a calamity for the State. Each section of the House is apparently endeavouring to protect its own interests. Is it not time that members together sought a way out of the difficulty with justice to all concerned? It is the workers of the State who have to pay in the long run. I am opposed to the amendment moved by the member for Bunbury.

Mr. DURACK: The figures contained in the report of the Commissioner for Taxation show that the wage earners in 1919-20 earned £6,384,000 or an increase of practically one million pounds over the year 1917-18. It would be a good thing for the country if we had a few more pastoralists and graziers, for we find that 459 of these primary producers are contributing £420,000 to the revenue of the State, whereas 24,000 wage earners have contributed only £76,000.

Mr. MONEY: The Committee now have the opportunity of saying whether, owing to the present financial stress, they can afford to relax taxation and of deciding whether they can do so to the extent of 25 per cent.; or whether they can go to the extent of voting for the amendment proposed by the member for Geraldton.

Amendment (Mr. Money's) on amendment put and a division taken with the following result:—

Ayes	...	...	20
Noes	...	...	21
—			
Majority against	...	...	1
—			

AYES.

Mr. Broun	Sir James Mitchell
Mr. Carter	Mr. Money
Mrs. Cowan	Mr. Pickering
Mr. Denton	Mr. Plesse
Mr. Durack	Mr. Sampson
Mr. George	Mr. Teesdale
Mr. Harrison	Mr. A. Thomson
Mr. Hickmott	Mr. J. Thomson
Mr. Latham	Mr. Underwood
Mr. H. K. Maley	Mr. Mann

(Teller.)

NOES.

Mr. Angwin	Mr. Mullany
Mr. Boyland	Mr. Munsie
Mr. Clydesdale	Mr. Richardson
Mr. Collier	Mr. Simons
Mr. Corboy	Mr. J. H. Smith
Mr. Davies	Mr. J. M. Smith
Mr. Heron	Mr. Troy
Mr. Lambert	Mr. Willcock
Mr. Lutey	Mr. Wilson
Mr. Marshall	Mr. O'Loghlen
Mr. McCallum	

(Teller.)

Amendment on amendment thus negatived.

Amendment as previously amended put, and negatived on the voices.

[Mr. Stubbs resumed the Chair.]

Division called for and the Committee divided with the following result:—

Ayes	...	21
Noes	...	21
A tie	...	0

AYES.

Mr. Angwin	Mr. Mullany
Mr. Boyland	Mr. Munsie
Mr. Clydesdale	Mr. Richardson
Mr. Collier	Mr. Simons
Mr. Corboy	Mr. J. H. Smith
Mr. Davies	Mr. J. M. Smith
Mr. Heron	Mr. Troy
Mr. Lambert	Mr. Willcock
Mr. Lutey	Mr. Wilson
Mr. Marshall	Mr. O'Loghlen
Mr. McCallum	

(Teller.)

NOES.

Mr. Angelo	Sir James Mitchell
Mr. Broun	Mr. Money
Mr. Carter	Mr. Pickering
Mrs. Cowan	Mr. Plesse
Mr. Denton	Mr. Sampson
Mr. Durack	Mr. Teesdale
Mr. George	Mr. A. Thomson
Mr. Harrison	Mr. J. Thomson
Mr. Hickmott	Mr. Underwood
Mr. Latham	Mr. Mann
Mr. H. K. Maley	

(Teller.)

The CHAIRMAN: I give my casting vote with the Noes.

Amendment, as previously amended, thus negatived.

Division challenged.

Hon. P. COLLIER: I desire to challenge the division which has just been taken. I challenge it on the ground that during the progress of the division, after the decision had been given by the Chairman, and while the bells were ringing the Chair was changed. The member for Gascoyne was in the Chair, and the bells were set ringing, and subsequently to that action the member for Gascoyne vacated the Chair, to vote in the division on the side for which he gave his verdict when the voices were called. I have never known the Chair to be changed in such circumstances during all the years I have spent in this Chamber. I am certain that such an event has never occurred previously during the 17 years I have been a member of the House. I desire to challenge the division.

The CHAIRMAN: The hon. member is quite in order in doing so. With regard to the challenging of a vote, the Standing Orders are silent so far as I can see, on the point of order raised by the member for Boulder. In connection with the challenging of a vote there are two courses open: one is to challenge it where a member who has a personal interest in the matter under discussion by the Chamber has voted, and the second is to challenge it where a member did not hear the question when it was put. So far as I see, there is no other ground for challenge. I, the Leader of the Opposition still desires the matter to go further, I shall of course have to report it to the Speaker. So far as I see, I am unable to accept the challenge on the point raised by the hon. member.

Hon. P. COLLIER: I too have been looking through the Standing Orders, and so far as I have been able to discover they make no provision for such circumstances as have just arisen. Those who drafted our Standing Orders cannot have contemplated that such an action would be possible. I should, however, like to have the matter referred to His Honour the Speaker, in that the proceeding is a most unusual one, and might create a precedent.

Mr. TROY: Before the matter is referred to the Speaker, let me say that I know there is no provision to prevent the temporary Chairman of Committees leaving the Chair just when he likes. The matter is one of taste. The member for Gascoyne sat in the Chair; he put the question to the vote; he gave his decision to the Noes; then he vacated the Chair and voted with the Noes. I think the hon. member would have shown much better taste had he remained in the Chair, because the action he took tends to bring the Chair into disrepute. It degrades the office. He need not have left the Chair, because the Chairman of Committees could easily have come into the Chamber and voted in a similar sense voted with the Noes, as he is justly entitled to do. I think the member for Gascoyne was wrong, though I do not say he was wilfully wrong, in leaving the Chair.

The PREMIER: I asked one of my colleagues to request Mr. Stubbs to come into the Chamber before the question was put at all.

Mr. O'Loghlen: But after the previous division.

The PREMIER: Yes; after the previous division.

Mr. O'Loghlen: Two minutes had elapsed.

The PREMIER: I had a perfect right to do that, of course.

Hon. P. Collier: The Premier had a perfect right to do that, but the fact remains that the change of Chairmanship did not take place until after the division had been called for.

The PREMIER: The Chairman came into the Chamber after the question had been put. However, I am quite sure that neither the Chairman nor the member for Gascoyne would transgress in the way which has been suggested. I think the matter was a misunderstanding, and it might well be left at that. Of course, it is a pity that it happened. Hon. members will realise that neither the one gentleman nor the other would have done it if he had given the matter a moment's thought. I do not think either gentleman is to blame. The matter had better drop.

Mr. O'LOGHLEN: It is quite plain that the Premier was right in sending for you, Mr. Stubbs, to come to the House, though not to occupy the position which you now occupy. That Chair is your place, Sir. I hope, however, that such an incident will never again happen in this House.

Mr. A. Thomson: It made no difference.

Mr. O'LOGHLEN: It simply made the difference that the decision went against us.

Mr. A. Thomson: It would have gone against you in any case.

Mr. O'LOGHLEN: Let the Premier stand on his point. To-night I have unsuccessfully asked for two pairs for sick members. The member for Williams-Narrogin, a supporter of this side on the present question, left the Chamber only half an hour ago. If hon. members opposite want to work points, let them work points. In this case there is no appeal, no challenge; but I hope the thing will never occur again.

The CHAIRMAN: I am very sorry that it occurred at all.

Mr. Angelo: I am sorry anything of the kind occurred.

Mr. Wilson: You do not look it.

Mr. Angelo: I assure hon. members that it occurred through inexperience on my part.

Committee resumed.

Mr. MARSHALL: I move an amendment—

That after the word "amended," line 1, there be inserted "by adding a proviso to Subsection (1), as follows:—Provided that if any taxpayer resides in any part of the State where, according to the returns of the Government Statistician for the Commonwealth or the State, the cost of living exceeds by not less than ten per centum the cost of living in Perth, the income chargeable on such taxpayer shall, for the purposes of assessment, be reduced by a sum equal to ten per centum thereof. But such exemption shall not apply to so much of a taxpayer's income as exceeds £500 a year."

I do not think I need labour the amendment, which must appeal to the Chamber. For many years aspirants to political honours have commented upon the iniquity of the present system of taxation. Rates of wages in outback districts are arrived at on the same principle as rates of wages in Perth: The Arbitration Court makes allowance for nothing but the bare cost of the necessary commodities of everyday life. Not

one iota outside those things is taken into consideration. Therefore it is most inequitable that people living outback, and necessarily expending a much larger proportion of their wages in mere cost of living, should be called upon to pay an excessive proportion of revenue to the Treasury. I trust my amendment will have the unanimous support of Country members, in behalf of the pioneers who blaze the track. The Government recognise the principle by paying civil servants employed on the goldfields a special allowance. That allowance is merely because of the extra cost of living in those particular centres. The amendment provides that only after the cost of living exceeds by ten per cent. that of Perth, the provision shall come into operation.

The PREMIER: People in the employ of the Government on the goldfields certainly get an allowance to cover the higher cost of living. It is generally recognised, however, that people there get increased wages compared with those in other parts.

Mr. Marshall: Yes, and they pay more into the Treasury, although it costs them more to live.

The PREMIER: I understand that the objection is that the man working for a higher wage pays higher taxation. I suppose that is so, but I do not quite see how it can be avoided.

Mr. Troy: The amendment would work out all right.

The PREMIER: No, it would not. The amendment is not confined to the northern goldfields, but refers to any part of the State outside Perth.

Mr. Marshall: I thought we were legislating for the whole State. I did not think we were looking after the goldfields only.

The PREMIER: Quite so, but this refers to all parts of the State. I consider it is unworkable. If these people receive increased allowances to cover the extra cost of living, then they should pay taxes. The amendment would only afford a small amount of relief.

Mr. Marshall: Then it will not make much difference to the Treasury, and you should let it go through.

The PREMIER: I do not think it would be worth having, and I doubt if it could be applied in the way suggested.

Mr. TROY: The Premier knows that it can be applied because the same principle of reduction is already applied. For instance, ten per cent. is allowed off depreciation on stock and machinery.

The Premier: That is easily ascertained.

Mr. TROY: This, too, is easily ascertained. The Government Statistician can easily fix it owing to the figures presented by Knibbs every year.

The Premier: But these people will not accept Knibbs' figures.

Mr. TROY: That does not matter; the amendment provides for accepting them. I discussed this matter with the Federal Taxation Commission when that body was in Western Australia. We have heard talk ad nauseam about putting people on the land, encouraging the development of the back country, and so on. The people who go out back receive the least encouragement. The Chairman of the Federal

Taxation Commission agreed with me that it was a reasonable proposition that the people who went into the back country, paid high freights on their requirements carried over the railways and whose cost of living was in excess of that experienced in the metropolis, but who paid high taxation because they received more money, should be extended consideration regarding the taxation they paid.

Mr. Teesdale: But it is not proposed to limit it to those people. It is to apply to any part of the State.

Mr. TROY: Quite so, to those parts outside Perth where the cost of living is ten per cent. in excess of what it is in the city. The same principle applies throughout the Government service in connection with the railways. The principle of giving greater compensation to the railway worker outback is provided for in the industrial agreement with the Commissioner. For instance, provision is made that officers in the northern parts who receive £209 and under, shall get 1s. 6d. per day extra for seven days a week; for those receiving over £209 and under £309, £30 in addition, and for those receiving over £309, £50 in addition to the other allowances. The same thing applies to station officers. In the far distant parts, east of Goongarrie and north of Mt. Magnet, they get 25 per cent. in addition to the rates I have quoted. In the last locomotive drivers' award it was provided that officers east or north of Merredin to Goongarrie, and those east and north of Yerbillion to Mt. Magnet, should receive 1s. 6d. over the ordinary allowance for seven days in the week, and those north of the points mentioned 1s. 9d. per day in addition. These people receive a higher rate of wages and pay a higher income tax than those in Perth, even though, when the higher cost of living is deducted, it is found that their wages do not exceed those received in Perth. It is a very sound principle. There ought to be a zone system of taxation, under which the man who goes furthest out into the pioneering districts would get special consideration. The Premier has spoken of the free services rendered.

The Premier: I did not mention them.

Mr. TROY: Well somebody else did. What free services are given in the back country where the people have to tax themselves for even the maintenance of their hospitals?

Hon. W. C. Angwin: If you are going to raise the town versus country cry, I am against you.

Mr. TROY: I only claim that special consideration should be shown to the people outback, living under distasteful conditions in isolated communities. They are necessarily the wood and water carriers of the State, and seven-eighths of the advantages enjoyed in more favoured localities are denied them. Mr. Warren Kerr, of the Federal Taxation Commission, agreed that we ought to have a zone system of taxation. In the absence of that, I regard the amendment as a perfectly rational and practicable one.

The Premier: Could the Commissioners watch Knibbs's figures closely enough to maintain their tabulation?

Mr. TROY: Of course so! The Chamber of Mines can do it. Knibbs's figures do not apply to Northampton or to Yalgoo, but Geraldton could be taken as a basis and a slight increase allowed for Yalgoo and Northampton.

Mr. HERON: I will support the amendment. When, on the Address-in-reply, members complained of the congestion of population in the city, I declared we did not give sufficient encouragement to those outback. Why should a man outback, enduring all the discomforts of pioneering, have to pay the same tax as the man in the city? Those men out there do not even know what a holiday is. The recent Arbitration Court award conferred on the miners a fortnight's holiday per annum, but not 10 per cent. of the miners can avail themselves of the opportunity thus afforded. I realise that the amendment would be difficult of administration, and I think a lump sum exemption would meet the case. In 1914, when the Federal Government reduced their exemption to £150, the goldfields opposed it, and so I would not be consistent if I did not support the amendment.

Amendment put and a division taken with the following result:—

Ayes	...	...	...	15
Noes	...	...	...	24

Majority against ... 9

AYES.

Mr. Clydesdale	Mr. Simons
Mr. Corboy	Mr. J. H. Smith
Mr. Heron	Mr. A. Thomson
Mr. Latham	Mr. Troy
Mr. Lutey	Mr. Willcock
Mr. Marshall	Mr. Wilson
Mr. McCallum	Mr. O'Loghlen
Mr. Munsie	(Teller.)

NORS.

Mr. Angell	Mr. Mann
Mr. Boyland	Sir James Mitchell
Mr. Brown	Mr. Money
Mr. Carter	Mr. Pickering
Mr. Collier	Mr. Plesse
Mrs. Cowan	Mr. Richardson
Mr. Denton	Mr. Sampson
Mr. Durack	Mr. J. M. Smith
Mr. George	Mr. Teesdale
Mr. Harrison	Mr. J. Thomson
Mr. Hickmott	Mr. Underwood
Mr. H. K. Maley	Mr. Mullany

(Teller.)

Amendment thus negatived.

Progress reported.

BILL—GRAIN.

In Committee.

Resumed from the 17th November; Hon. G. Taylor in the Chair; the Premier in charge of the Bill.

New clause—Modification of the terms of the company's lease:

Mr. McCallum had moved that the following be inserted to stand as Clause 18a—

The lease to the West Australian Grain Growers' Co-operative Elevators, Limited, dated the 21st day of March, 1921, of North Fremantle Lots 205 and 206, registered as leases No. 230/1921 in the office of Land Titles,

is hereby modified, as follows:—(1) In the *redundum* on page one thereof, the words "the first ten years of" are inserted between the word "during" and the words "the said term," and the following words are inserted after the words "two hundred and fifty pounds," namely, "and thereafter as yearly rent a sum equal to five pounds per centum on the unimproved capital value of the demised land, to be assessed by the Surveyor General of the State, and re-assessed at the expiration of every subsequent period of ten years." (2) In paragraph (k) of Clause 2, the words "on the amount actually paid up on each share" are inserted in place of the words "paid up capital of the company for the time being." (3) The following additional paragraphs are inserted in Clause 2:—1 (a) That the company undertakes that the number of shares in the company which may be held by any one person or corporation shall be limited in such manner that a controlling interest in the company cannot be acquired by any person or corporation. (b) That it shall be a condition for the holding of shares in the company that the holder will surrender any shares held by him exceeding one hundred shares at a price equal to the amount actually paid up on such shares, to enable other wheat-growers who may not be shareholders in the company to acquire shares. (4) The following words are inserted at the commencement of paragraph (n) of Clause 2, namely:—"That the company's memorandum of association shall be forthwith amended so far as necessary to give effect to the foregoing covenants and," and the word "otherwise" is inserted after the words "shall not," in line 1 of the said paragraph (n).

The PREMIER: During the discussion I intimated that I would accept the suggestion that the rent of the land at Fremantle be equal to 5 per cent. on the unimproved capital value to be assessed at every period of 10 years. The company wanted a clause of this description inserted from the outset, and it was due to my persuasion that it was not inserted. I agree that this should be the system adopted.

Mr. McCALLUM: In view of the statement of the Premier I ask leave to withdraw my amendment.

Amendment by leave withdrawn.

New clause:

The PREMIER: I move—

That a new clause be inserted to stand as Clause 19, as follows:—Modification of the term of the company's lease: (19a). The lease to the Western Australian Grain Growers Co-operative Elevators, Ltd., dated 21st March, 1921, of North Fremantle Lots 205 and 206, registered as leases No. 230/1921, in the office of the Land Titles, is hereby modified as follows:—The following clause on page one thereof, namely, "The said company yielding and paying therefor during the said term unto His Majesty the King, his heirs and successors, the yearly rent of £250 to be paid without deduction by the Department of Lands, Perth, by equal half-yearly payments in advance" is omitted, and a clause inserted

in place thereof as follows:—"The said company yielding and paying therefor during the said term unto His Majesty the King, his heirs and successors, as yearly rent a sum equal to £5 per centum on the unimproved capital value of the demised land, such unimproved capital value being now assessed at £5,000, and to be re-assessed by the Surveyor General of the said State at the expiration of every period of ten years of the said term, such annual rent to be paid without deduction at the Department of Lands, Perth, by equal payments half-yearly in advance."

New clause put and passed.

New Clause:

Mr. McCALLUM: I move—

That a new Clause be inserted to stand as Clause 20 as follows:—In paragraph (k) of Clause 2, the words "on the amount actually paid up on each share" are inserted in place of the words "paid up capital of the company for the time being."

This amendment applies to the articles of association under which the lease has been granted to the company. My object is to insure that dividends will be paid on the paid up capital and not on watered capital, and that this should be one of the conditions under which the company leases the land at North Fremantle. Nowadays there is a great deal of watering of capital by companies, and that sort of thing can be done by co-operative companies as well as by others. There should be no objection to the amendment.

Mr. MacCallum Smith: There is no objection.

The PREMIER: I do not know why the hon. member should desire this amendment, or what is to be gained by making it.

Mr. Willcock: Under the amendment, dividends would be paid only on what had actually been paid up on the shares.

The PREMIER: This company will have no paid up shares.

Mr. Willcock: Yes.

The PREMIER: I think the hon. member is wrong there.

Mr. MacCallum Smith: Every share has to be bought and paid for.

Mr. McCallum: The articles of association, which I read out here the other night, give the company power to issue shares for services rendered or for any other purpose.

The PREMIER: I understand that the company are agreeable to the amendment, and I do not wish to raise objection to it, though I fail to see the slightest reason for it.

Mr. A. Thomson: I agree with you.

The CHAIRMAN: I am rather at a disadvantage. To the casual glance, there is nothing in the Bill dealing with either the agreement or the lease. These matters should be appended in the form of a schedule.

Hon. P. Collier: Yes. We are now proposing to amend something that lies on the Table of the House, but does not appear in the Bill.

The PREMIER: According to the Solicitor General, the agreement can be amended by the addition of a clause to the Bill.

The CHAIRMAN: I fail to discover that the agreement is mentioned in the measure. It

should appear as a schedule to the Bill. I suggest that after the clauses have been dealt with an amendment might be moved adding the agreement to the Bill in the form of a schedule.

Mr. A. Thomson: We do not know what the Premier is moving to amend. That is our trouble.

Mr. HARRISON: I understood that the lease had already been finalised. I would like to know from the Premier if that is the position.

The PREMIER: The member for North-East Fremantle was responsible for that impression because of a statement he made during the second reading debate. The agreement is not finalised but it is subject to approval by Parliament. I suggest that if the member for South Fremantle agrees to withdraw his amendment, we can bring the agreement before the Committee as a schedule to the Bill. I will have it printed and members can then discuss it. I do not think there will be much difficulty in agreeing to two or three of the paragraphs of the proposed amendment to the agreement. I do not know whether he seriously asks for the third paragraph. However, if the hon. member is prepared to withdraw his amendment, the Committee can deal with the matter in the way I have suggested. I can assure him he will have every opportunity of dealing with it.

Mr. WILLCOCK: It does not matter to me whether the Company agree or do not agree with some or any of the paragraphs in the proposed amendments, but I think the Committee should have an opportunity of discussing the whole agreement. That is difficult without having copies of the proposed agreement before us.

The Premier: I have agreed to that already.

Hon. P. COLLIER: I take it that the procedure will be that the agreement will be printed and considered as a schedule to the Bill and, on a motion by the Premier that the agreement be adopted, the Committee will be able to go into the whole matter.

The Premier: That is the position.

Amendment by leave withdrawn.

New Clause:

Hon. W. C. ANGWIN: I move—

That the following be added, to stand as Clause 30—(1) All grain shipped from any elevator shall be shipped only as graded into such elevators by the inspecting officers: Provided that, when grain has deteriorated or changed condition in storage, the inspecting officer shall issue only a certificate in accordance with the facts. (2) Should grain of different grades be loaded together in the same compartment of any vessel, a certificate shall be issued for such mixed cargo, which certificate shall have written across its face a statement of the quantities of each grade entering into the composition of such mixed cargo, but no certificate for a straight grade shall be issued for such mixed cargo. (3) No grain shall be shipped in any vessel from any elevator without the supervision of an inspecting officer. (4) The certificates of inspection given by inspecting officers shall in all cases accompany the grain to its destination. (5) The board shall issue such rules and regulations governing the inspection and outward shipments of grain

from any elevator as will satisfactorily identify the inspection certificates with the shipping bill and the lot or parcel of grain covered by such certificate.

The object of the new clause is to afford protection to overseas buyers of Western Australian grain. This is copied principally from the Canadian Act which is far more stringent than is this. It is to insure that the grain shipped shall be under proper supervision, and that the certificate issued shall be the actual certificate, because it is to accompany the grain when shipped. Postponed Clause 41 gives power to the board to make regulations dealing with this very question, but I think this should be in the Bill.

The Premier: You might as well say there should be no board and no regulations.

Hon. W. C. ANGWIN: The time has arrived when Parliament should make the laws. We have too much law by regulation. We are too ready to leave things to a board working on the advice of an officer.

The Premier: There is nothing objectionable in the amendment, but it is quite unnecessary.

Hon. W. C. ANGWIN: It has been found necessary in the Canadian Act. I am sorry the Premier has not had time to read that Act.

The Premier: I supplied you with your copy.

Hon. W. C. ANGWIN: You did not. As the result of reading that Act, if I were drafting a Bill it would be three times as bulky as this one. The object of the amendment is the protection of the State.

The PREMIER: The hon. member cannot have read Subclause 5 of the amendment very carefully, because it provides for the framing of regulations by the board. There is nothing to object to in the amendment, except that it is not necessary, because all these things ought to be done by regulation. The hon. member seems to view the company with a good deal of suspicion.

Hon. W. C. Angwin: I want to protect the State.

Hon. P. Collier: He has every confidence in the company—now.

Hon. W. C. Angwin: The monopoly having gone, I do not care a hang for the company.

The PREMIER: Well, why introduce all these blessed amendments?

Mr. HARRISON: If we are to make a success of bulk handling it is essential that the grades of our wheat should be certified, and the good name of Western Australia conserved. We cannot put Western Australia on all fours with Canada, whose wheat varies more than does ours. When we have this board representing the wheatgrowers of the State, why should we insert a lot of new clauses imported direct from Canada? Let us first prove our own position in regard to the handling of our own grain. We require to follow up the growing of our wheat in its marketing. We are trying to help ourselves,

and at the same time we are helping everyone who handles wheat, right through to the consumer; for to grade the wheat is to the advantage of every buyer. These amending provisions are not necessary, at all events not yet.

Hon. P. COLLIER: It seems to me the arguments advanced by the Leader of the Country Party are all in favour of the amendment. The hon. member suggests that these provisions may be necessary some day, and that it will be the duty of the board to make regulations covering the points raised but, he asks, why put it in the Bill when it can be done by regulation? We have too much government by regulations made by a board. It is essential to the interests of our wheat growing industry that we should sell true to label. The recent sale of inferior flour to South Africa has done no end of harm to Australia's reputation; it has killed the sale of Australian flour in South Africa. Although the great bulk of the growers may realise the wisdom of selling only first class wheat, a comparatively small quantity of inferior wheat sold in the markets of the world would damage the reputation of the whole State. To build up an export trade in any commodity, it is in the interests of the producers and the State alike to see that quality is guaranteed.

Mr. Harrison: What are the board for?

Hon. P. COLLIER: They will have a lot of work to do, but they might not concern themselves with the quality of the wheat.

Mr. A. Thomson: Not according to Clause 41?

Hon. P. COLLIER: There is no compulsion under that clause. If members believe the board will adopt this principle, why not make certain by including it in the measure?

The PREMIER: The board will be appointed by the Government, and it will be their duty to protect the people who sell as well as the people who buy our wheat.

Hon. P. COLLIER: They will not take instructions from the Government; they will merely administer the Act.

The PREMIER: But they may be removed from the board. I thought the member for North-East Fremantle would be satisfied with the constitution of the board. The amendment is unnecessary and I hope it will be withdrawn.

Hon. W. C. ANGWIN: I maintain that the amendment is necessary. The Bill provides for the framing of regulations, but it was my intention to move to delete those provisions and substitute the proposal now under discussion. I am in accord with the Leader of the Country Party. Over two years ago we had to put a clause into the Wheat Marketing Bill providing for the imprisonment of any person who was found sending in the previous season's wheat. This was done to protect the farmer who was sending in good wheat. It is certainly necessary that people overseas who are buying our wheat may know what they are buying, from the certificates that are issued. Some

people are becoming afraid of this Bill. Two-thirds of the farmers will not get as much for their wheat as they have in the past, because they are not careful enough in the way they grow their wheat. Some farmers would just as soon send in chaff as wheat if they could. The grading of the wheat would prevent anything of that kind. Under that system the good farmer will reap an advantage, but a large majority of farmers do not pay sufficient attention to their crop and will lose through the grading. This will affect them even more than the dockage system. Certificates should be issued in connection with all wheat that is shipped. This is necessary to protect the honour of the State.

Mr. A. THOMSON: Clause 41, dealing with regulations, covers the ground mentioned by the hon. member. The board which will be managing that part of the business will see that justice is done to the State. I hope the amendment will be withdrawn.

Amendment put and negatived.

[Mr. Stubbs resumed the Chair.]

New clause:

Hon. W. C. ANGWIN: Members may yet see the wisdom of agreeing with me on the points I have raised, just as they did on certain points I raised 12 months ago. The question as to whether the Bill will go through or not depends upon a certain banking institution and the lobbying that may be done by it in the House. I move—

That a new clause be inserted as follows:—"In any terminal elevator where facilities do not exist to permit of the inspecting officer securing proper samples of grain which is being shipped from such elevator, the board may order the warehouseman of such elevator to immediately supply such additional facilities as in its judgment will secure the desired results. Any terminal warehouseman neglecting to comply within reasonable time (not to exceed thirty days) with the order of the board as aforesaid, shall be guilty of an offence and liable on summary conviction to a fine of not less than One hundred pounds for each offence."

This new clause is an exact copy of a section contained in the grain legislation of Canada, where it had been found that the Government inspectors were not afforded the necessary facilities for ascertaining the quality and condition of wheat prior to its shipment.

The PREMIER: I approve of the proposed new clause.

New clause put and passed.

Progress reported.

House adjourned at 12.4 a.m. (Wednesday).